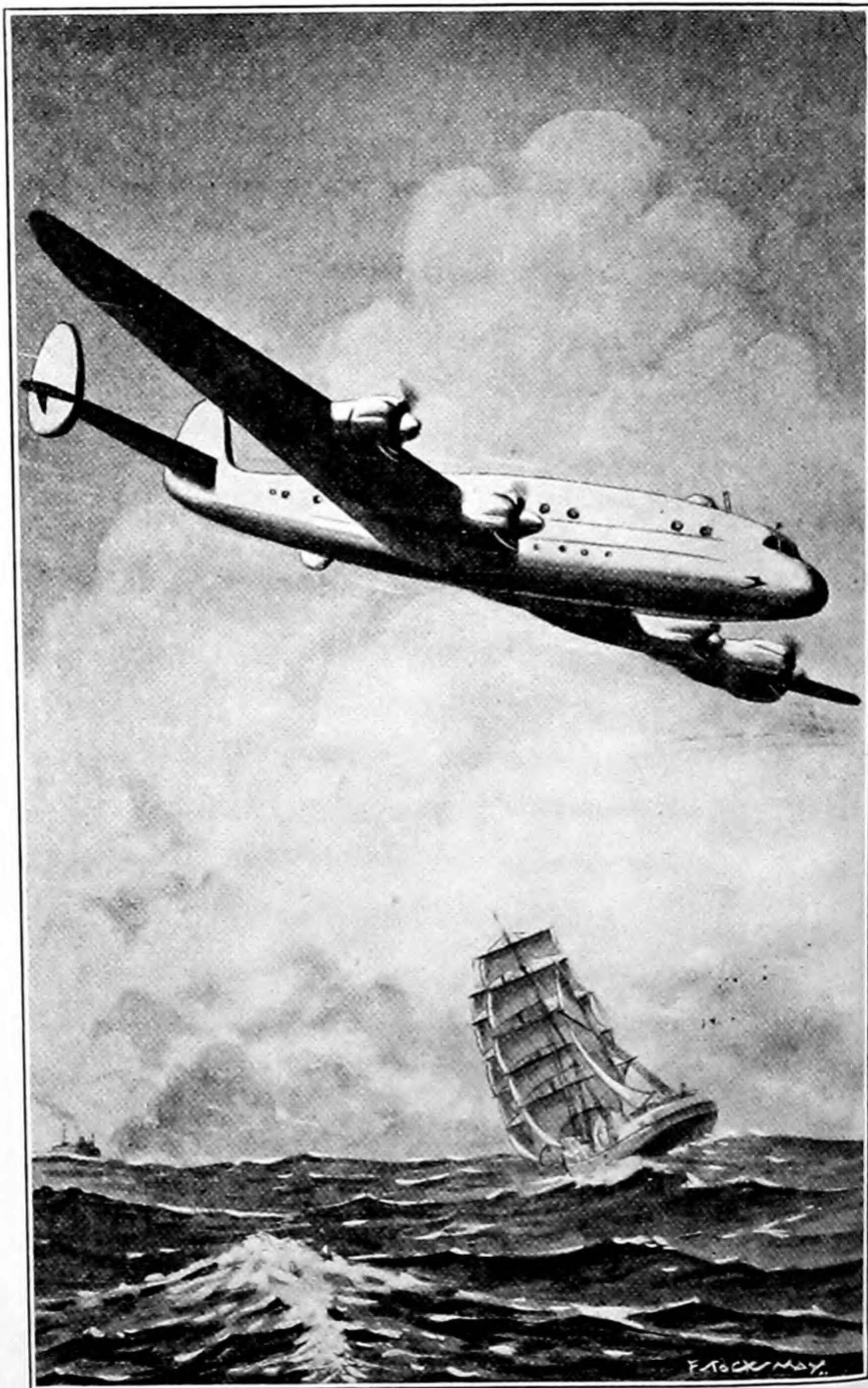


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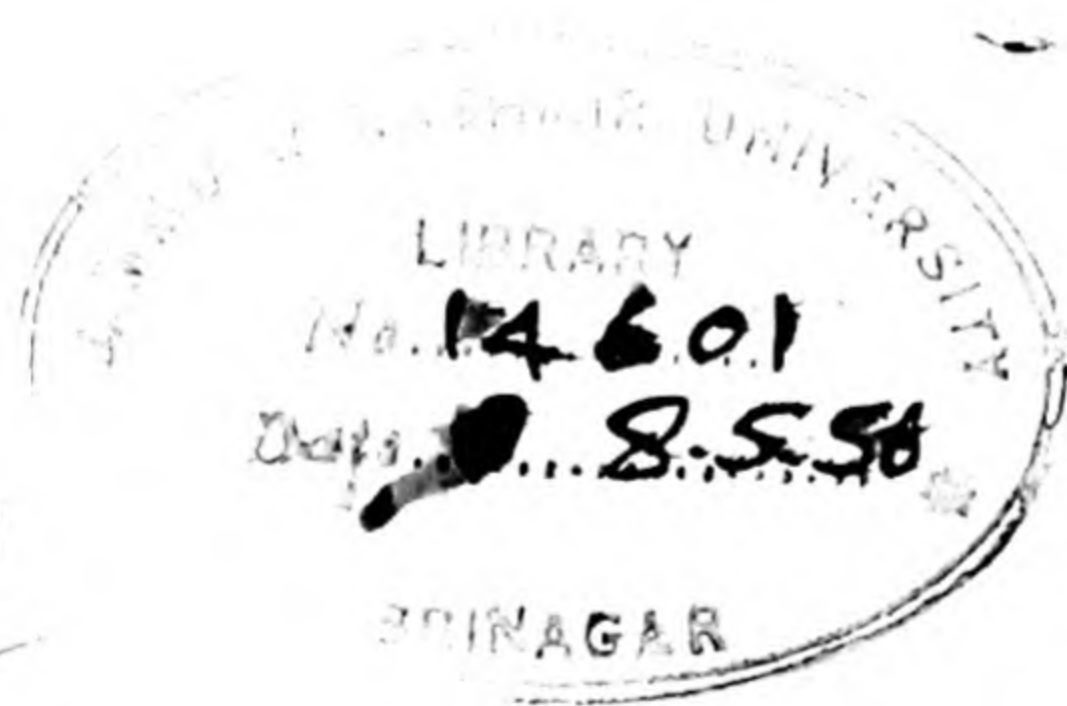
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BY

J. R. REEVE

B.A., B.Sc.

Author of "History Through Familiar Things"



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P R E F A C E

TO THE TEACHER

THIS book was written to supply a need. For many years, as a teacher, I was concerned with the interesting task of introducing older boys and girls to the problems of our present-day society. It was to provide such an introduction, in a comprehensive form, taking into account our limited school time, that this book was written. However inadequate I have been, I hope I have achieved my main task, which was to present as a connected whole the origins of our economic organisation as well as the story of our social services, our local government system, and our present-day industrial organisation.

In planning this course I was concerned not so much to teach economic history, or local government, or economics as separate subjects, but to illustrate through them the efforts of each age to solve its own social and economic problems.

But to help our young people to become the alert citizens of the future I did want them to see our problems in an historic background. I did want them to see that our social services and the development of local government have arisen naturally out of the needs of our developing society. Finally, I wanted them to see—in so far as it was possible to make this simple—economic teaching and practice not as a static but as a dynamic affair. For to-day they are conscious that the economic practice of modern

society affects their lives very intimately, and if there is to be a demand for change it should be an intelligent one.

This course is meant for boys and girls in their fifteenth year and presupposes a previous general course of English history. But parallel with it there should certainly be a course on the political development of Europe and the world in the nineteenth and twentieth centuries.

The subject-matter of this book is condensed in the earlier chapters in order to give more time in later chapters to present-day problems. All teachers realise that the school week is necessarily limited for time. One could easily develop in more detail any one item in the course, but then one would not cover the whole ground, and it is important to see our world and its problems to-day as a connected whole.

It should, however, be easy to extend reading and study once interest has been aroused, and the course will have achieved much if such interest has been aroused.

J. R. R.

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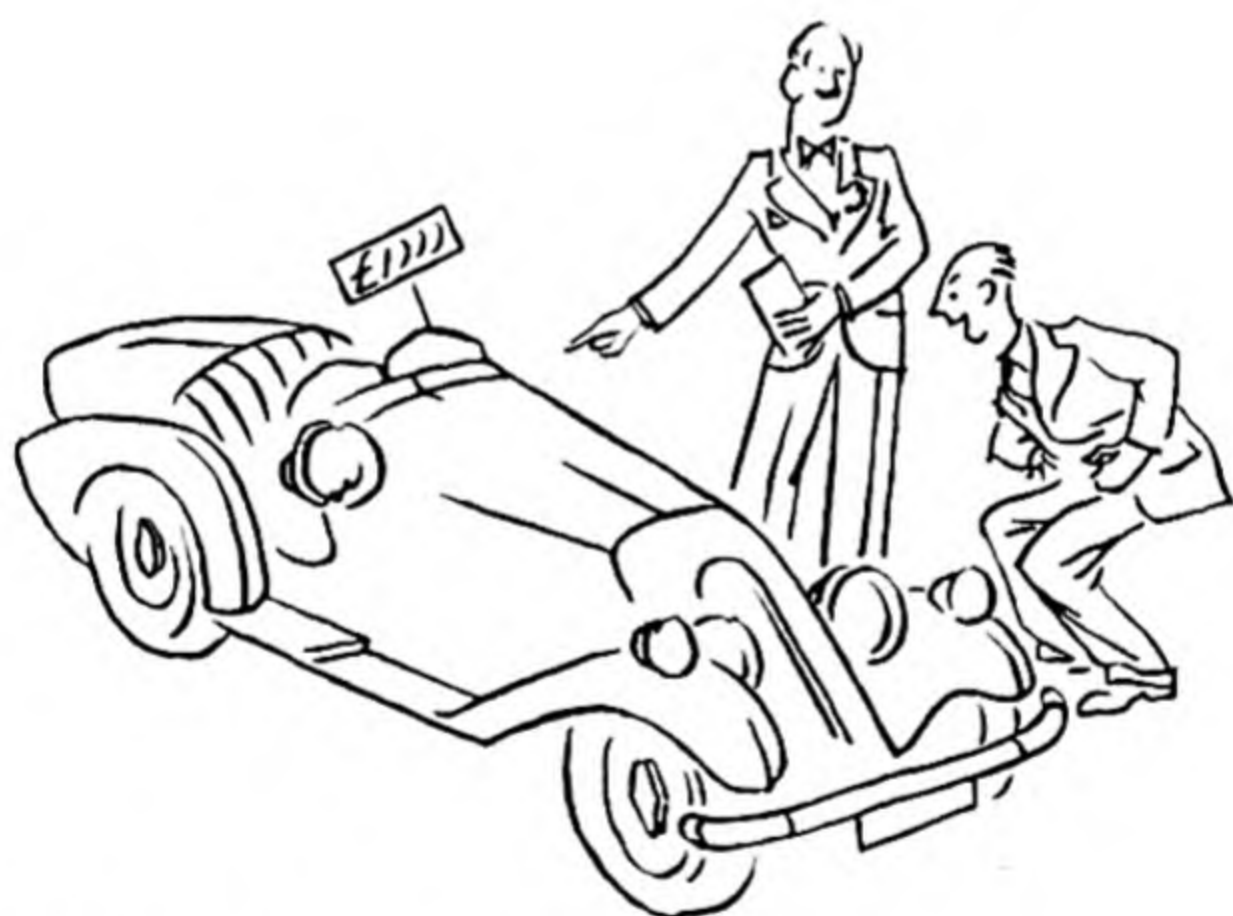
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INTRODUCTION

WHAT sort of an age do we live in? Without doubt the historian of the future will regard it as an intensely interesting one. Never in its long history has the world seen so much that is new, never has it undergone so much change. But, what is more important, how do we living to-day regard our modern world? For on the way we regard it will depend the way we live and the way we act. And the way young people act will be very important in the years to come.



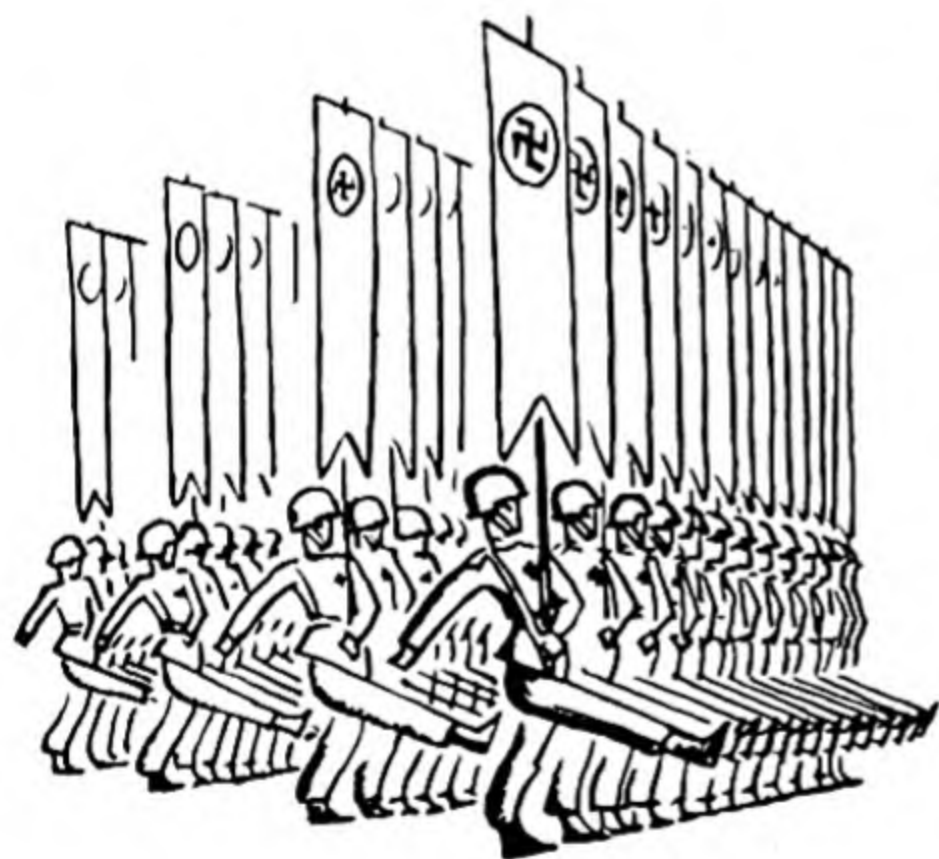
"LOOKING AT THE OUTSIDE OF THINGS."

Perhaps most of us accept without question the world as we find it. If pressed, we look at the outside of things and, aware of the wonderful machines that surround us, are convinced that our age is in advance of previous ages. But there are others more

thoughtful and more critical. Perhaps you are among them. They see ourselves as an unstable world, changing too rapidly, in which huge machines put people out of work, and are periodically used to destroy them. The superficial view assumes advances in science and the increasing use of machinery to be Progress. The critical view is intensely aware of what we have not achieved. If the standard of living has been raised generally, there are still many people who go short of food and the amenities of life.

Those who enjoy the comforts and even luxuries of this industrial age are not always happy and contented. They lack a feeling of security. They cannot feel happy when they are aware of some of the world's

major evils. The greatest is the way the nations organise themselves for world war. A second which causes unrest and national conflict is the way millions of people suddenly find themselves without employment. A third is the regimentation of the masses under dictators. All these evils are not only made



"THE REGIMENTATION OF THE MASSES."

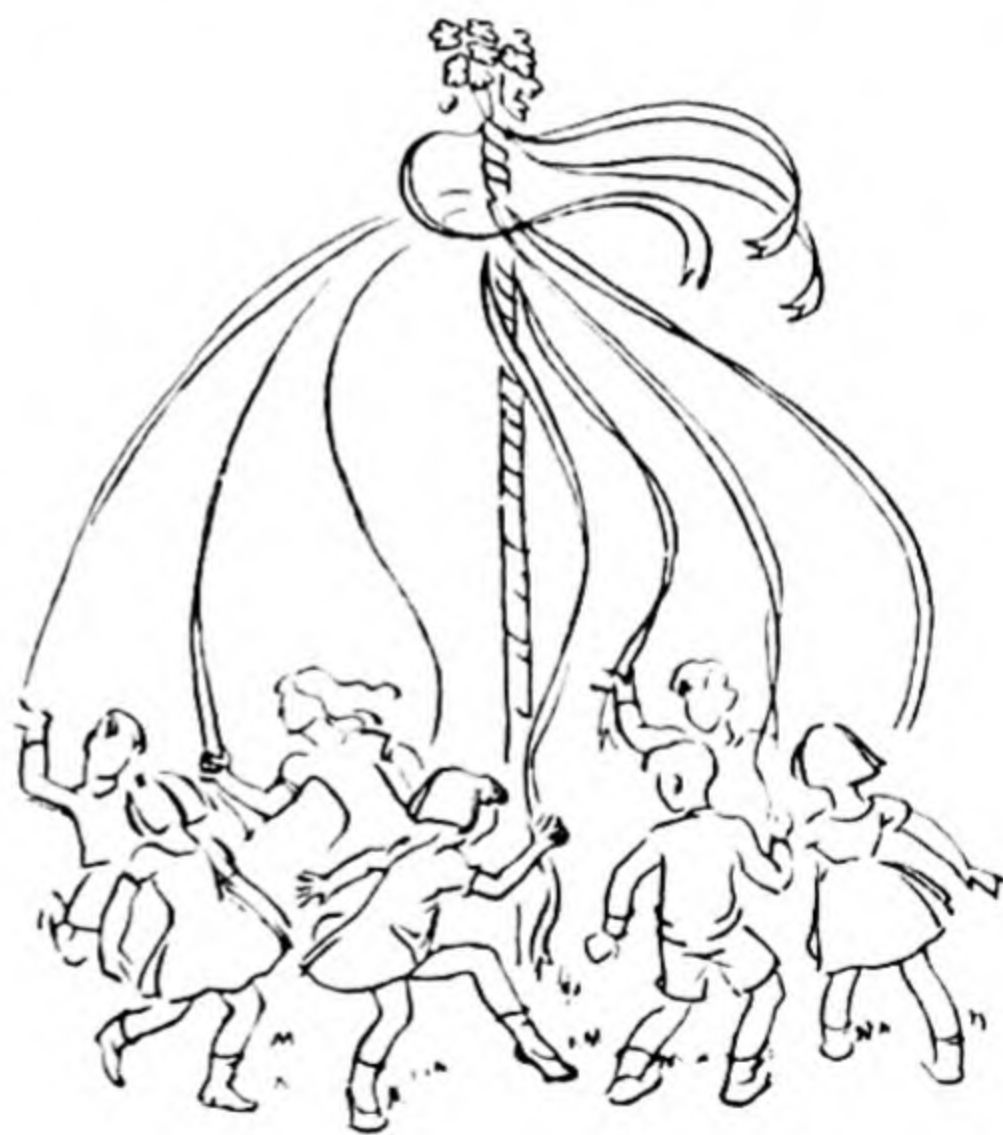
easier by the use of modern machines and scientific methods, but are in many ways the direct result of their introduction.

Again, critics blame the industrial age for the fact that so many of our generation have forgotten the art of living which previous simpler ages understood. For this they blame our hectic age, which has uprooted people from the country and flung them into the cities, where they have become dependent on machine-made pleasures and mass-produced articles. We can now understand why artists and writers came to hate machines. Samuel Butler, when he wrote *Erewhon*, told of a land where it was a crime to own a machine. William Morris, himself a writer and an artist, condemned all things produced by machinery and advocated a return to the old handicrafts. In our day the Indian leader Gandhi similarly advocated a return to the old hand spinning-wheel.

The truth is that it is not machines themselves that have caused our troubles, but the way men have used them.

Machines can be used to remove human toil, to provide food and shelter for all; and science to alleviate human pain.

If we remember that machines are means to an end,



"THE ART OF LIVING."

then we shall look for ultimate happiness in man's leisure time and the way he lives with his fellows for other purposes than producing goods. If we have too much of machines in our working hours, then we must get away from them in our leisure hours.

So that the real problem is how to improve the way we run our industrial and social life. This requires knowledge and is the purpose of this book. It is to explain our present social and industrial life, and our problems and evils, and to understand them in the light of the past. We must have a knowledge of their history. With this understanding and this knowledge we shall be able to build a better world.



"SLUMPS IN TRADE AND SUNSPOTS."

The trouble in the past has been not that people have been unaware of our evils, but that they have regarded them as inevitable as natural phenomena. Slumps in trade, for example, have been attributed to sunspots. Some philosophers have stated that it was wrong to interfere in what they assumed to be the

ordering of the universe. According to them it was against nature to interfere in man's industrial and commercial activities.

To-day that outlook has changed. Writers and poets are preoccupied with the social and political problems of our day. Many novels and plays deal with our social disorders and their effect on people's private lives. One need only mention the works of such writers as H. G. Wells, G. B. Shaw, and Galsworthy. Since 1914 our younger writers seem to write about nothing else, so that even the poetry of our age is concerned with the instability and insecurity of what could be an age of plenty. You will be joining, then, a magnificent army in the battle for a better world. Fit yourself for it.



CHAPTER I

FATHER GOES TO WORK

DIVISION OF LABOUR

AFTER he has endured the crowded train or bus, what are the conditions under which father works which are so different from the past? Most people would say that he works now with machinery, or that he works for a large firm, employing many people, that he rarely sees his employer; that he belongs to a large trade union which negotiates his wages for him with this remote employer.

Actually the biggest change is that father is employed at one task only. Men and women nowadays tend to be at one job for the whole of their working lives. Years ago men were jacks of all trades, although not so much as Robinson Crusoe on his island. In a Saxon village father would have made practically all he needed himself, with mother helping of course. Since Saxon times, smiths and bakers and tailors and glovers have taken to working at one special trade. Nowadays a man does not even confine himself to making one article, but works on one part only of an article and passes this on to the next

man. This way of working, this Division of Labour within a trade, has been developed within the last two hundred years or so and more than anything else has helped to bring about modern large-scale industry. A writer named Adam Smith, who wrote in 1776 and about whom we shall hear more, described this process and showed that in his day it took eighteen men to make a pin.

ADVANTAGES AND DISADVANTAGES OF DIVISION OF LABOUR

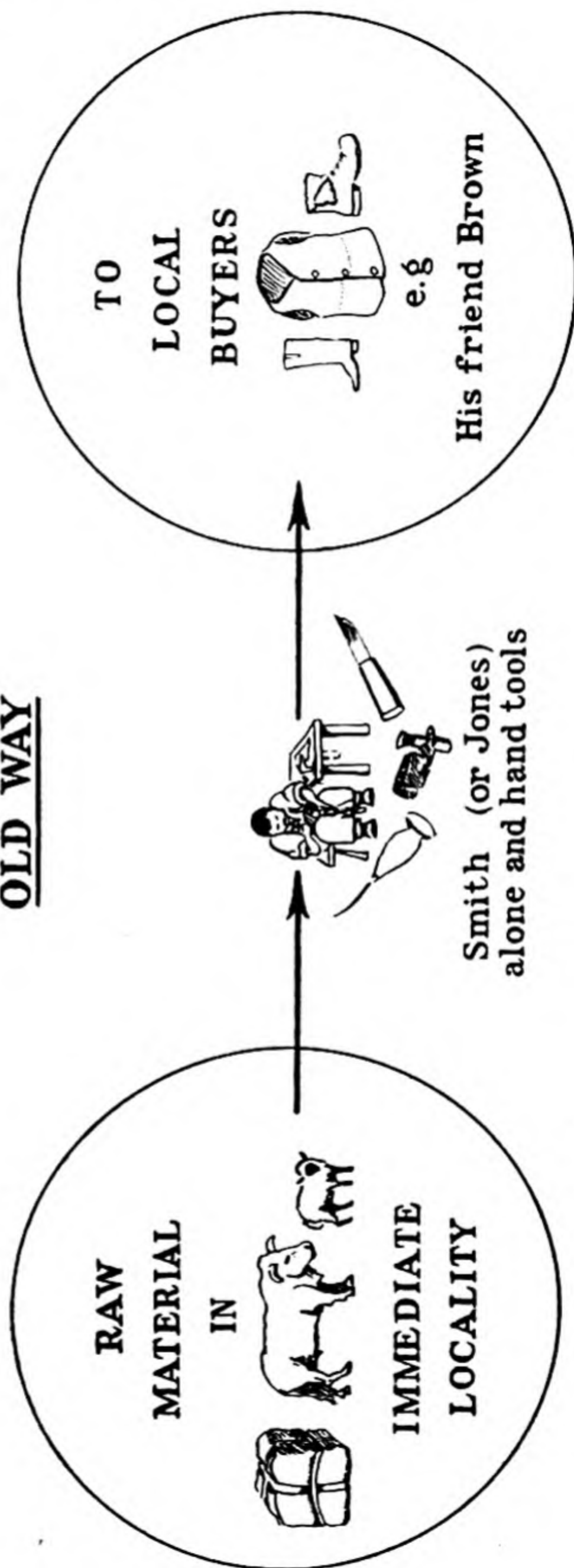
This method would be absurd if one pin only were made, but when millions of them are made and men and women no longer work by themselves but in squads, in companies, and in battalions, then the advantages of this division of labour become apparent. By advantages I am thinking of the large-scale and cheap production of pins, not of the effect on the individual. What is true of pins applies to any article that is made to-day, whether simple or complicated. The advantages to production are briefly these.

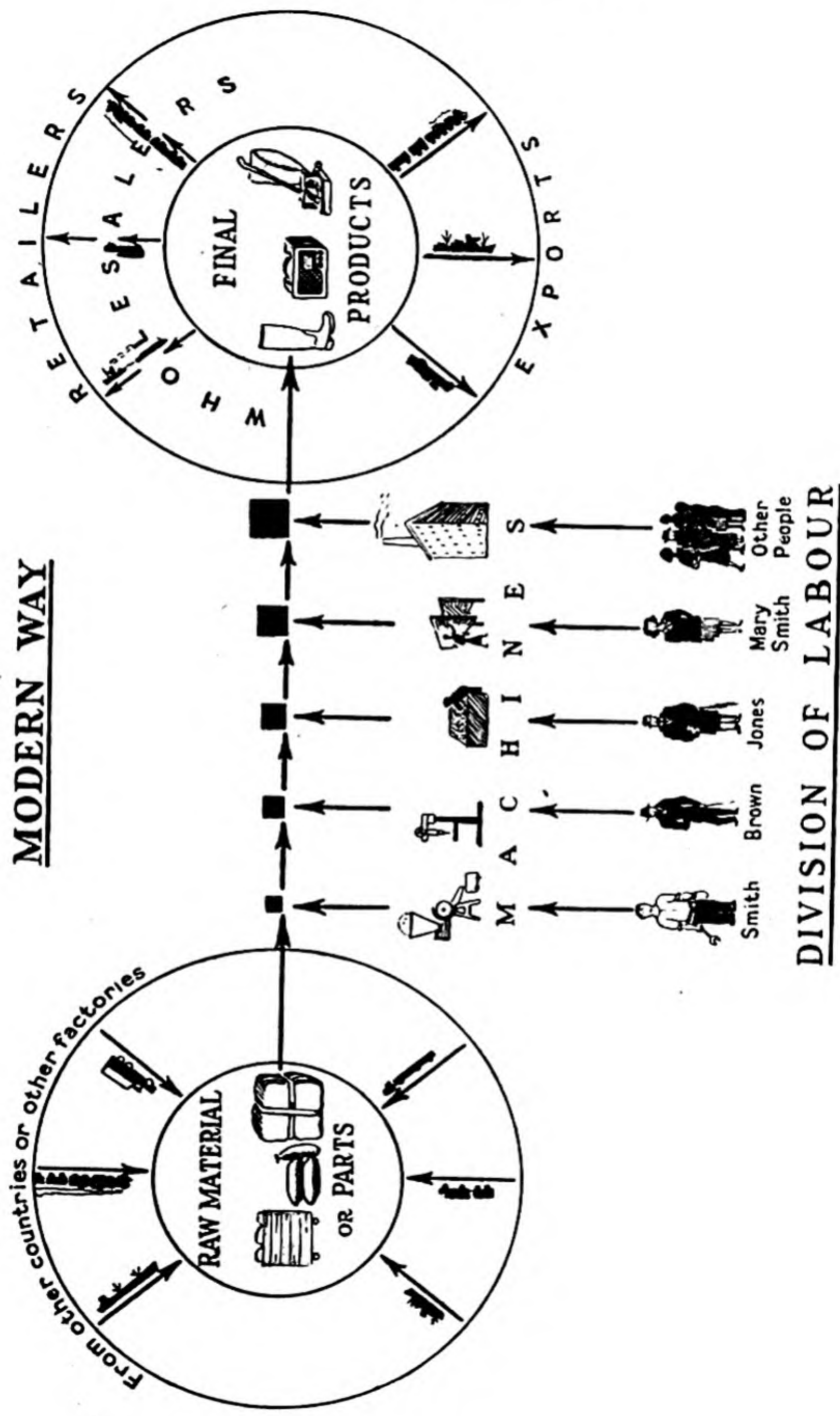
First we have the simplification of the task which the individual has to learn. As we say, "Practice makes perfect." He and his mates work faster. They produce more goods which consequently cost less. The simplification of each task makes it easier to introduce a machine to do the simpler task, and machinery makes for still greater speed and cheapness of production. So we find industry organised on a large-scale basis and goods produced in mass.

The disadvantages of this method fall largely on the individual worker. Working hours tend to be

SMITH & BROWN IN RELATION TO INDUSTRY & TRADE

OLD WAY





MODERN WAY

DIVISION OF LABOUR

monotonous. Lost, too, is the pride of the old craftsman in making the whole of an article. When he

loses his job, the worker, because he is too specialised, finds it difficult to obtain alternative work, unless it is unskilled. Ask your father what he thinks about it.

On the other hand, under modern conditions, working hours are shorter. A worker has more leisure time. And one of our problems to-day is to find how to use this leisure.

Again, it is possible for



THE PRIDE OF THE OLD CRAFTSMAN.

a worker to develop a pride in his work when he sees himself part of a team working, as under war conditions, for the national good. The creation of this pride in work is one of the great problems of modern society.

There is a danger to industry as a whole in the method of division of labour. If one of the links goes, the whole chain of industry is broken. A strike in one factory will hold up the work in many.

TERRITORIAL DIVISION OF LABOUR

The method of division of labour is used not only in organising the work of individual men and women, but also that of towns, of districts, or even of whole

countries. Manchester specialises in cotton goods, Yorkshire in woollens, but Bradford in a special branch of woollens, England in manufactured goods, Africa in raw products, and so on. That is why unrestricted trade between countries is so important. This is another world problem. We see, then, that when father goes to work he finds thousands of others like himself doing the same work and travelling to the same locality. His firm manufactures articles that will be used by people in far-away countries. The raw material that he uses, the clothes that he wears, first came from other regions and have been through thousands of hands.

But that was not how people worked hundreds of years ago.



CHAPTER II

FATHER IS OUT OF WORK

WE come now to one of the greatest of present-day problems, the unemployment through illness or bad trade of those who have to work for their living.

Father has been ill for some time and has lost his job. Perhaps his firm is suffering from a trade depression and in common with his mates he is put off work. There are others in the family who cannot work. Grandmother is too old, a cousin is chronically ill. In the road there lives a widow who has to support her children. How do people who do not earn money maintain themselves?

UNEMPLOYMENT INSURANCE

Father when he is unemployed draws unemployment benefit. For this he pays when in work a weekly insurance deducted from his pay. Towards the fund from which he draws pay, both his employer and the State make equal contributions. In practice, the method used is for his employer to fix a stamp on to a card.

When father has been out of work for a long time and has exhausted his benefit from the Unemployment Insurance Fund, he is then helped by the U.A.B. (the Unemployment Assistance Board), a national body controlled and financed by the Government, and acting in the different districts through committees. He and his wife and family are helped according to a fixed scale while he is fit and employable.

He draws his allowance at his local Employment Exchange, which keeps him on a register for work and tries to place him in employment. These Exchanges are controlled by the Ministry of Labour.

If he becomes unemployable through illness or other causes, then the Public Assistance Committee of his county council will help him and his family while in need. These Public Assistance Committees, though controlled by the county councils, are ultimately directed by the Ministry of Health.

HEALTH INSURANCE

As illness is the cause of so much unemployment, father used to be made to contribute to a separate National Health Insurance scheme, and when he was ill he was given medical assistance and drew sick pay. For this, too, he made a weekly contribution, as did his employer and the State, and a stamp was affixed to a Health Insurance card. Since 1948, however, he uses one card only and one stamp covers all forms of National Insurance. This is the result of the passing of the National Insurance Act of 1946, which brought every person in the country under the scheme, which was not the case before.



INSIDE AN EMPLOYMENT EXCHANGE.


Note the women applicants at the information counter and the clerks behind who keep indexed files of applicants and jobs.

PENSIONS AND OTHER FORMS OF ASSISTANCE

Your grandmother is also paid an old-age pension after reaching, under the new scheme, the age of sixty, and your grandfather after reaching the age of sixty-five; a widow is paid a widow's pension and her children of school age are also helped. These pensions are drawn weekly at the Post Office, although the scheme is administered by the Ministry of National Insurance.

There are also in the country many voluntary charitable bodies that help people who are in distress. The Voluntary Hospitals used to be the best known before they were taken over by the State. But the organisations mentioned above are not charities, and must give help in accordance with various Acts of Parliament passed in the last hundred years or so. Notice the various Government departments men-

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	Serial Number	606,955.													
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Contributor's Name (In Full)		John Charles.													
Contributor's Address		6. Fonde Ave. Bromley - Kent.													
Date of Issue of this Book		1946-47													
On exchange		Other than on exchange													
Date and Local Office of Surrender of this Book		At													
REGULAR UNEMPLOYMENT BOOK. MAN: (age 21 but under 65) This Book is for use throughout the Insurance Year 8th July, 1946, to 8th July, 1947, in GREAT BRITAIN and NORTHERN IRELAND only.															
<table border="1"> <thead> <tr> <th>WEEKLY CONTRIBUTION</th> <th>EMPLOYER</th> <th>CONTRIBUTOR</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>*For employment under the GENERAL SCHEME</td> <td>10d.</td> <td>10d.</td> <td>1s. 8d.</td> </tr> <tr> <td>*For employment under the AGRICULTURAL SCHEME</td> <td>3½d.</td> <td>3½d.</td> <td>7d.</td> </tr> </tbody> </table>				WEEKLY CONTRIBUTION	EMPLOYER	CONTRIBUTOR	TOTAL	*For employment under the GENERAL SCHEME	10d.	10d.	1s. 8d.	*For employment under the AGRICULTURAL SCHEME	3½d.	3½d.	7d.
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*For employment under the AGRICULTURAL SCHEME	3½d.	3½d.	7d.												

NATIONAL HEALTH AND PENSIONS INSURANCE			
CONTRIBUTION CARD			
ENGLAND	EMPLOYED CONTRIBUTOR	YEAR 1946/47	
CLASS A MAN AGE 16 to 65	DATE OF CONTRIBUTION EMPLOYER: 1/1 WOMAN: 1/2 But not 1/2 before	52 WEEKS ENDING 8 JULY 1947	
INSTRUCTIONS TO INSURED PERSON			
THE CARD MUST BE DELIVERED TO YOUR EMPLOYER AT THE PROPER TIME FOR SIGNING. THE CARD MUST BE SURRENDERED TO YOUR SOCIETY WITH YOUR RECORD CARD IMMEDIATELY AFTER 8 JULY 1947 AND NOT LATER THAN 19 JULY 1947			
IF YOU ARE NOT A MEMBER OF A SOCIETY SEND THE CARD TO THE SECRETARY OF UNEMPLOYMENT, BLACK POND, LONDON (AN EMPLOYEE CAN BE OBTAINED AT ANY POST OFFICE). FAILURE TO SURRENDER THE CARD PROMPTLY MAY RESULT IN SERIOUS LOSS OF BENEFITS. IF THE CARD IS LOST OR ONLY PARTLY FILLED IN YOU SHOULD STATE THE REASON. IF YOU ARE GENUINELY UNEMPLOYED YOU SHOULD, IN YOUR OWN INTERESTS, REGISTER AT A LOCAL OFFICE OF THE MINISTRY OF LABOUR AND NATIONAL SERVICE FOR WORK AND PRESENT THIS CARD FOR PRANKING EACH WEEK. DO NOT BRING THE CARD DURING PERIODS OF UNEMPLOYMENT WITHOUT CONSULTING YOUR APPROVED SOCIETY. DO NOT BRING THE CARD AFTER CEASING TO BE ELIGIBLE FOR UNEMPLOYMENT BENEFITS OR AFTER CEASING TO BE A MEMBER OF A SOCIETY.			
IMPORTANT All insured persons should, at their own expense, JOIN AN APPROVED SOCIETY. MEDICAL BENEFIT You are entitled to Medical Benefit as soon as you have made your first contribution. If you need medical treatment and have no Medical Card, get a Form Med. 36 at a Post Office, fill it in and give it to an insurance doctor before sending it to the Insurance Committee - address obtainable at the Post Office. Failure to do this may result in a claim for medical benefit being refused.			

UNEMPLOYMENT AND HEALTH INSURANCE CARDS AS USED UP TO 1948.

Note: One card only is now used for Social Insurance.

tioned and note the different Local Government Authorities.

In such ways are people helped who are in distress. You must note that the amount of help given by the Insurance Funds, and even the pensions, depend upon the general wealth of the country. The more unemployment there is, the less is put into the Insurance Fund; pensions are derived largely from taxation, and the amount of taxes that can be levied depends ultimately upon the wealth-producing capacity of the country. Years ago such schemes did not exist, and none of the Ministries or local authorities mentioned existed.



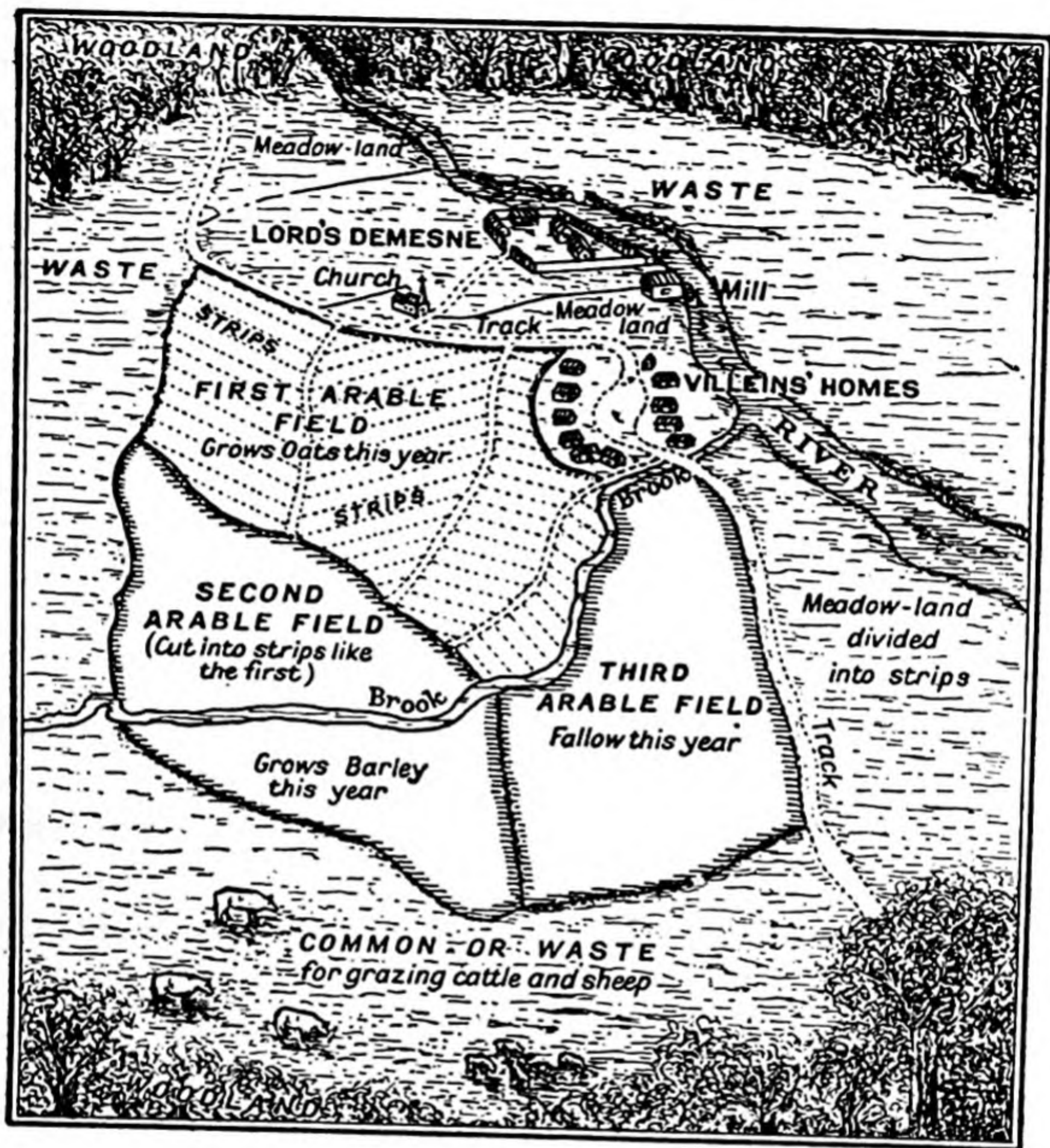
CHAPTER III

WORK IN THE MIDDLE AGES

AGRICULTURE—THE MANORIAL SYSTEM

WHAT did people work at a long time ago? How did they work? Who helped them when they could not work? You know that in Saxon times practically everyone worked on the soil, and people were born and died in the same village, for no one was allowed to leave. Agriculture was the main concern of the inhabitants of Norman England also, although town life and industry began to develop from the eleventh century onwards. For hundreds of years a man's place was fixed for him when he was born. He was tied to the land in some way or other; a landless man had no place in society. A man either owned land (by permission of an overlord or king) or worked on the land. There was very little movement, very little change, and very little need for money.

If your father had been born a serf, so he would have remained all his life, and so would you. He would live in a wattle hut and work his own strips of land and on certain days he would work for the lord who owned all the village land—the lord of the manor, as he was called.



PLAN OF A MANORIAL VILLAGE.

Everyone was poor and all food and clothes would be made on the spot, each person spinning and weaving for himself. The miller or fisherman, and in some cases the smiths and iron workers, would have special tasks by permission of the lord of the manor. A little money was in use and the serf might save a little by

doing extra work for his lord. With this money he would go to the nearest town at fair-times and purchase articles sold by pedlars or town craftsmen. It was a narrow and hard life with long and tedious hours of work—nothing comparable to modern conditions. There was, of course, no school or cinema for boys and girls and no books or newspapers. It was a life that father would appreciate, however, from one point of view. You were certain of your job. Provided you did your tasks, your land was yours always. Thus they had no unemployment problem.

CRAFTSMEN—THE GUILD SYSTEM

What took place in towns? There were very few of them, and they were small, unhealthy places with very narrow, dirty streets. The death-rate was very high, and small as they were, their population was maintained by an influx of escaped serfs from the surrounding villages. Actually the towns were also under an overlord, but the craftsmen and merchants quite early banded themselves together and paid their overlord for the right to carry on their craft and govern themselves. The contract with the lord was embodied in a document called a Charter. The self-government was extended to the trade and industry of the town. In the eleventh century all the tradesmen were organised into a Merchant Guild; but as the years went by, each craft was organised into a Craft Guild, so that there was a Bakers' Guild and a Glovers' Guild, and so on. No one outside the town was allowed to practise a trade or sell merchandise.



A STREET IN A MEDIEVAL TOWN.

Castle Gate, Shrewsbury, as it was in the fifteenth century. Note the dominating castle, the cobbled street, and the open shop fronts.

Each guild trained its own apprentices, fixed the wages of the journeymen and the prices of the trade, safeguarded the quality of the goods, and looked after those who were sick and the widows and orphans.

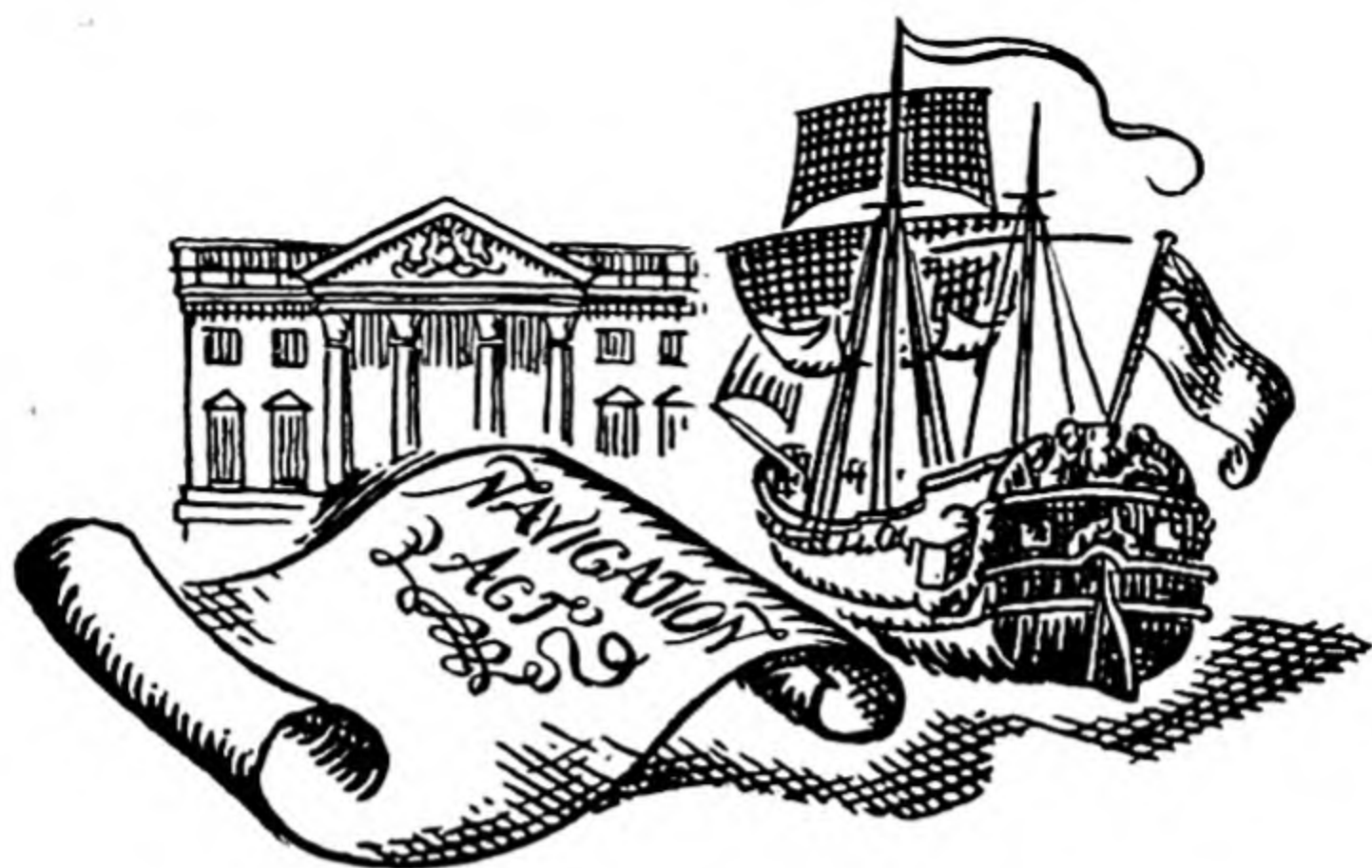
If you and your father had lived and worked in a medieval town, in what way would your conditions have been different from those of to-day?

CONTRAST WITH INDUSTRY OF TO-DAY

The biggest difference would be in the size of industry. The workshop and shop would be together and the establishment would consist of the master, a few journeymen, and apprentices. All were members

of the same guild. The apprentices and journeymen ultimately became master-men. There was thus no antagonism between employers and workers and no strikes or lockouts in industry. The market for which the goods were made was small—that of the town and the immediate surrounding country—and because it was known, there was no over-production followed by a slump in trade. There was consequently little unemployment and those who needed help were helped by other members of the guild. The guildsman was as much concerned with the quality and the price at which an article was sold as he was with his own wage. He was happy and contented. But his outlook was narrow; outsiders were regarded as foreigners and were allowed to trade only on fair-days and were limited in other ways.

There could be little expansion of trade under such control. The peasant probably had one set of clothing the whole of his life, and coarse and unattractive at that. People worked hard and in the lowest level had barely the necessities of life. In a time of bad harvest, many people died. Streets, although colourful, were dirty and unhealthy. Can we to-day recapture the contentment of the medieval craftsmen while maintaining our high and varied production of goods, our increasing health and social services, and the pleasure and recreation made possible by modern invention?



CHAPTER IV

FROM FEUDAL VILLAGE TO STATE CONTROL

THE BREAK-UP OF THE MANORIAL SYSTEM—PERSONAL FREEDOM BUT SOCIAL INSECURITY

THE slow, unchanging agricultural life of the peasant and his serfdom lasted for hundreds of years not only in England but all over Europe. Indeed the feudal system, in which serfdom was so important a part, lasted in France till the French Revolution and in Eastern Europe even later. In England, however, events brought about the freedom of the serfs during the early fifteenth century. When the Black Death came in 1349, many peasants had already bought their freedom. The shortage of labour caused by the epidemic increased the demands made upon them by their manorial lords and brought about unrest amongst the serfs, culminating in the Peasants' Revolt in 1381. Although this was put down, landowners turned to

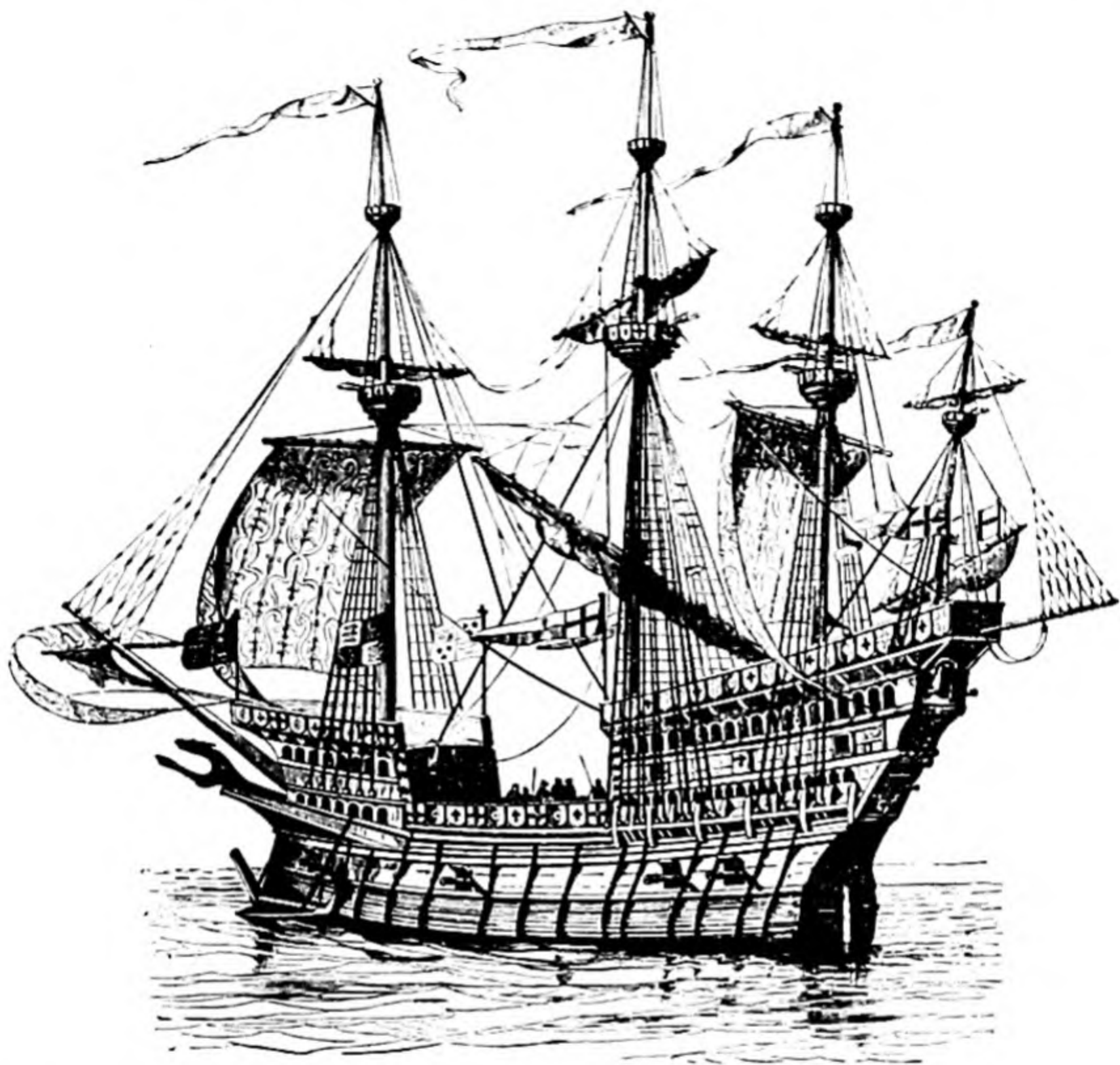
sheep farming and more and more serfs were freed or ran away. So that during the fifteenth century serfdom disappeared in England. Peasants were now free to move about, but they were also free to starve. The old security got from being part of the land system was gone. The poor became a problem for the Tudor sovereigns in the next century.

THE DECAY OF THE GUILDS

Similarly in the towns, the old ordered life of the guilds with their safeguards for craftsmen and their families also underwent a change.

Richer guilds began to trade abroad and began to control the members of poorer guilds to whom they gave work. In some of the guilds the older members prevented journeymen from becoming master-men. These moved out of chartered towns to surrounding villages and formed new groups of Journeymen or Yeomen Guilds, so that industry was no longer completely in the hands of the old guilds. They lost their influence, and when Edward VI took away a good deal of their wealth at the time of the Reformation (because some of their activities were of a religious nature), they practically lost all their importance.

Thus the medieval system of agriculture and industry broke down; the control of feudal lord and guild went. And it was the State that had to take up this responsibility. Whereas monarchs in the Middle Ages were concerned only with the army and navy and safety of the kingdom, those in the Tudor period were now also occupied with finding work for the workless, training apprentices, and settling rates



A TUDOR ROYAL VESSEL.

It was with vessels even smaller than the above that journeys were made across the oceans.

of wages. This was because rulers saw clearly that to be strong a nation had also to be wealthy, and the new concern for its craftsmen and trade arose from this conception. We call this paternal government.

THE TUDOR PERIOD

Moved by the idea of paternal government, Queen Elizabeth passed in the fifth year of her reign (1558)

a famous Act called the Act of Apprentices (sometimes called the Fifth of Elizabeth). By this, townsmen of certain standing had to apprentice their sons to a craft, as the guilds were no longer doing the job. Similarly the fixing of wages, which used to be done by the guilds, was now to be settled by Justices of the Peace, sitting four times a year in Quarter Sessions. They also settled agricultural wages, as so many of the peasants were now agricultural labourers, working for a wage, and not serfs possessing strips of land. Note that the Justices of the Peace were appointed directly by the Crown from the local landowners, or gentry, to carry on the local government of the country.

Many other laws were passed regulating the life, work, and trade of the country. The medieval fast-days or fish-days were maintained in the interests of fishermen, and the care of the poor and unemployed was given much attention. So that the old idea of the Middle Ages that work, unemployment, wages, and prices were something that had to be controlled, and were not merely the whim or responsibility of a single person, continued in a new form in the Tudor period. Only where the medieval idea was local and narrow, the new conception was national. But as by this time people were free to move about and as conditions of trade and conditions of employment began to change, such control by the State was not an easy matter. Trade was now carried on with far-away countries; Englishmen settled in the colonies.

The policy of trade control by the State was developed systematically for over two hundred years. In fact the term "mercantile system" has since been



THE FIRST ENGLISH COLONIES IN NORTH AMERICA.

applied by historians to so clearly defined a policy. Agriculture, manufacture, shipping, and the export of gold were governed by Acts of Parliament. For example, the Navigation Acts passed in 1651 and in 1661 deliberately excluded foreign sailors and ships from English trade, unless they brought goods manufactured in their own country. These Acts led to wars with the Dutch, the great carrying nation of that time. Similarly colonial trade was controlled in the

interests of the mother-country. Not only England, but France and Spain followed such a policy. The colonists had to conform but were not pleased. Eventually it was one of the reasons which caused the American colonists to revolt in 1776. According to the theories of the time, when the colonies became independent, their trade with England should have decreased. Actually independence brought an increase of trade with England. It became obvious to some people that the theories of the Mercantile System needed revision.

Adam Smith, a great thinker and writer of that time, wrote a book to prove that all control and regulation by the State was bad for trade and held up the expansion of the nation's industry and wealth. Actually it was not regulation but the sort of regulation that was wrong. The system broke down because of changing conditions, which made the old regulations out of date.

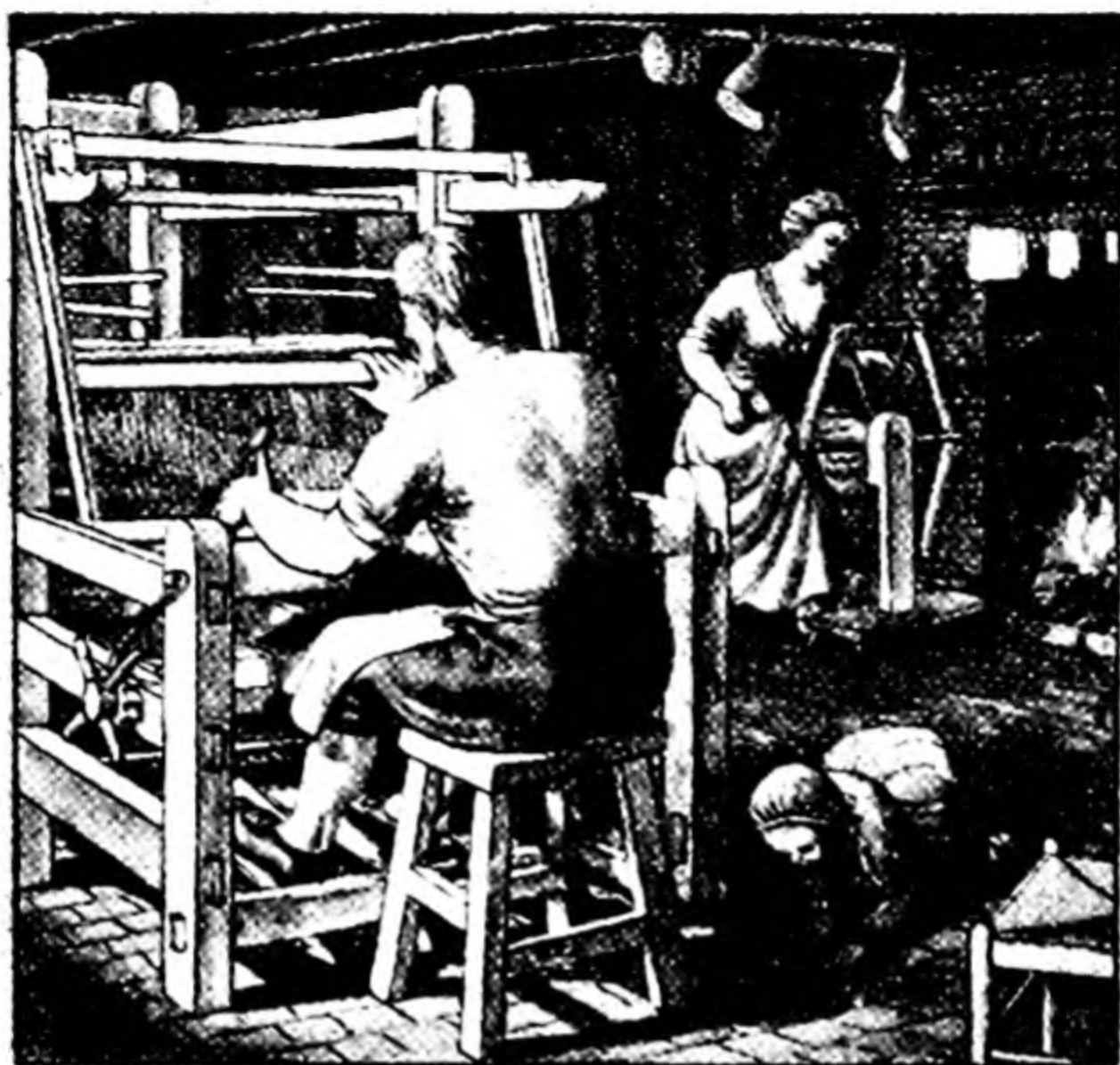


CHAPTER V

THE EIGHTEENTH CENTURY

RAPID EXPANSION OF TRADE AND INDUSTRY

LET us see what were these changes. As a member of a guild during the Middle Ages, father was completely his own master; he bought his own raw material, made it up, sold it to his customers. But I have already told you that one of the changes in the fifteenth century was that members of richer guilds began to employ members of poorer guilds. This was particularly true of the cloth industry. Rich clothiers bought up wool and sent their agents all over the country, and handed over this wool to spinners, weavers, fullers, and dyers to complete into the finished cloth. These craftsmen worked in their own cottages and were paid for their labour when they finished their allotted task. The craftsman was also a cottager. When work at his craft was slack, he worked on his land. And Queen Elizabeth insisted that each craftsman was to have so much land and one or two cows, so that a man was supported by his land



SPINNING YARN AND WEAVING CLOTH IN A COTTAGE HOME.

as well as by his craft. Unemployment to such was not a disaster.

THE COTTAGE SYSTEM OF INDUSTRY

The guild system of industry thus developed into the cottage or domestic system of industry. You would have helped your father and mother in their work even if you were quite young. As there was no school, you would be occupied at home with simple tasks connected with spinning, weaving, or other work. This was the condition under which the textile industry was carried on between 1500 and 1760. I mention this industry because the export of wool cloth was the largest single export.

Industry and trade generally were increasing. The discoveries and the voyages to distant lands helped the increase of trade.

Cotton now began to be imported from Cyprus and the Eastern Mediterranean, and the spinning and weaving of cotton began to be developed on a large scale in the damp climate of Lancashire. As the raw material had to be imported, employment was in the hands of rich trading people who employed a large number of craftsmen.

In the cotton industry especially, despite Elizabeth's attempt to maintain the cottage system, after 1700, workers were often made to work in large barns where they could be under the eye of foremen, where cloth would not be wasted, and where division of labour could be practised.

THE BEGINNING OF THE FACTORY SYSTEM

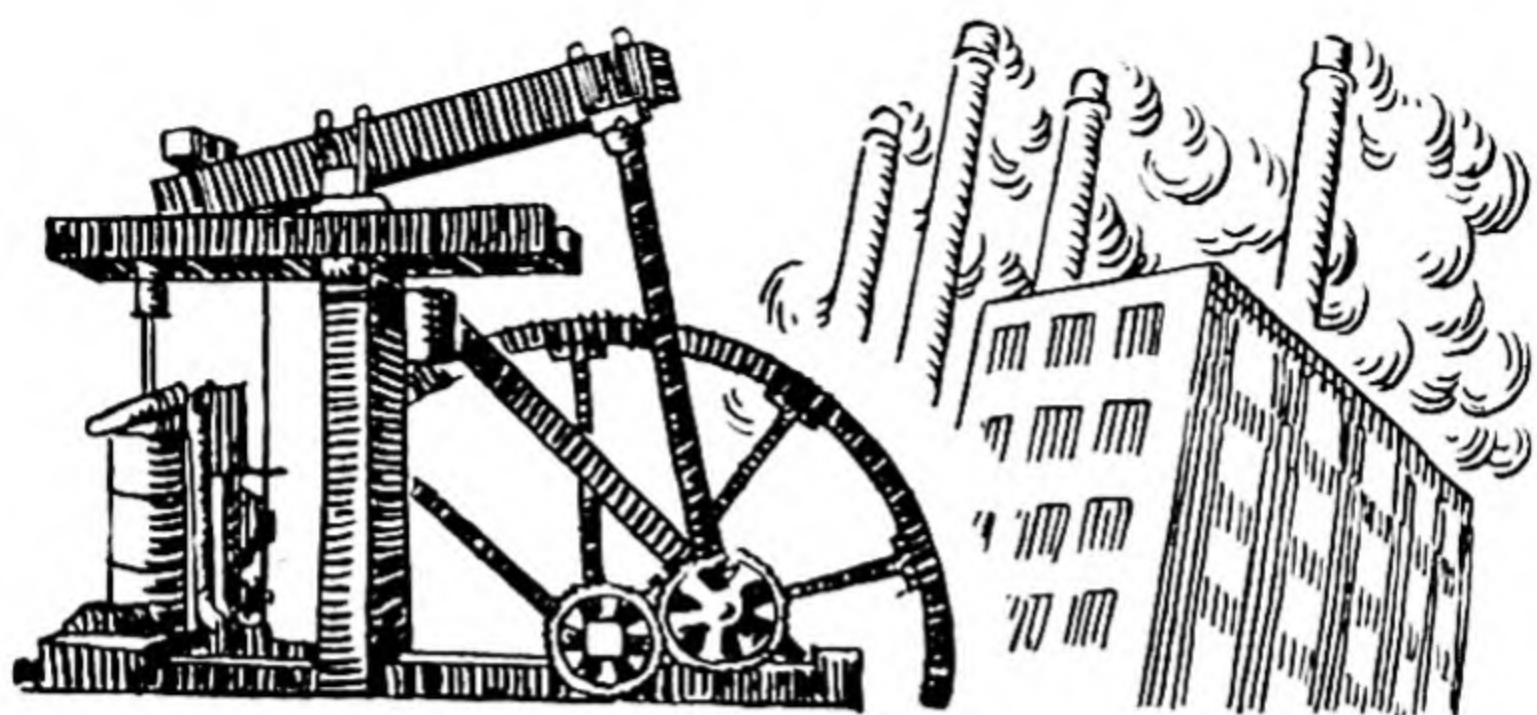
We shall turn to the cotton industry again soon to study how the present factory system began from these early attempts to get workers together in one building.

Meanwhile, we should notice that other crafts and industries were carried on also in the year 1700. There was shipbuilding, suffering under the difficulty of getting timber; the iron industry, suffering still more from the lack of wood fuel and almost a dead industry, so that even iron for ships' anchors had to be imported from Sweden. There was a salt industry and a silk industry, mostly introduced by French Huguenots into this country. Transport, however,

was very bad. Of course there were no railways or motor-cars, and roads were very poor.

All industries were heavily hampered by duties and taxes and State control and regulations built up originally in their interests under the Mercantile System. Trade was carried on by chartered companies with Russia, the colonies of America, the Levant, Africa, and above all with India, where cotton goods were exported to an unlimited market.





CHAPTER VI

THE MACHINE AGE BEGINS

A SERIES of changes, especially in the cotton industry, came after the year 1760. These changes were so sudden and their results so great that we have come to talk about the Industrial Revolution of the eighteenth century.

We have seen how rich employers were prepared with their increasing capital to employ workers on a large scale under one roof. They bought raw material from abroad and sold the manufactured article abroad. They practised division of labour in their industry, using men and women in greater numbers. Now they found that spinning was too slow a process compared with weaving. Ten spinners were required to employ one weaver. So they offered prizes to anyone who could speed up the spinning process; for in 1730 the invention of the fly shuttle had speeded up weaving still more. Spurred by this offer, inventors came forward, and Hargreaves'

spinning jenny (1770), Arkwright's water frame (1771), and Crompton's mule (1779) were invented.

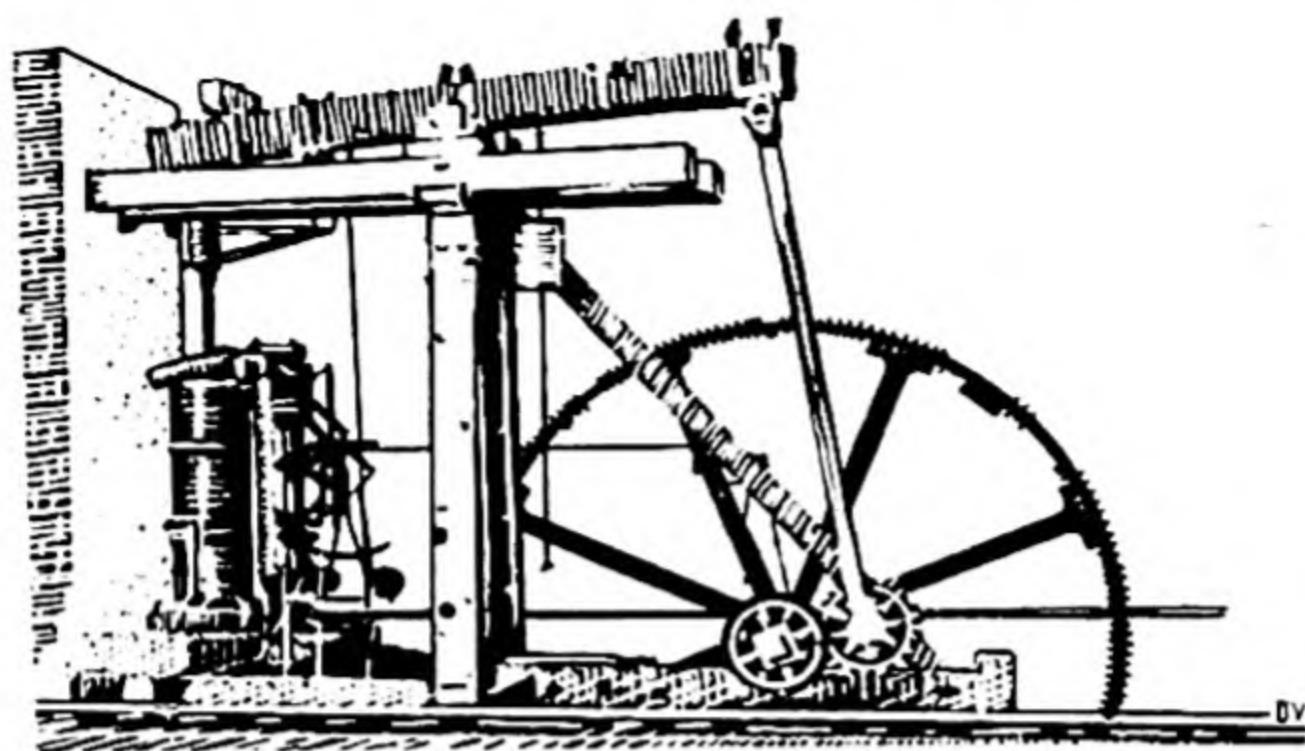
The result was a tremendous increase in cotton manufacture. The machines were housed in big buildings near streams, where water power could be used for driving the new machines. In these new



EARLY COTTON FACTORIES—MANCHESTER.

factories, or "mills" as they were called, were herded chiefly women and children, for these were now able to do the work of grown men. Skilled handcraftsmen were thrown out of work. If they were employed in the factories, it was at low pay.

The children in the mills were largely orphans, helpless and friendless, and they were made to work fourteen and fifteen hours a day in the steam-



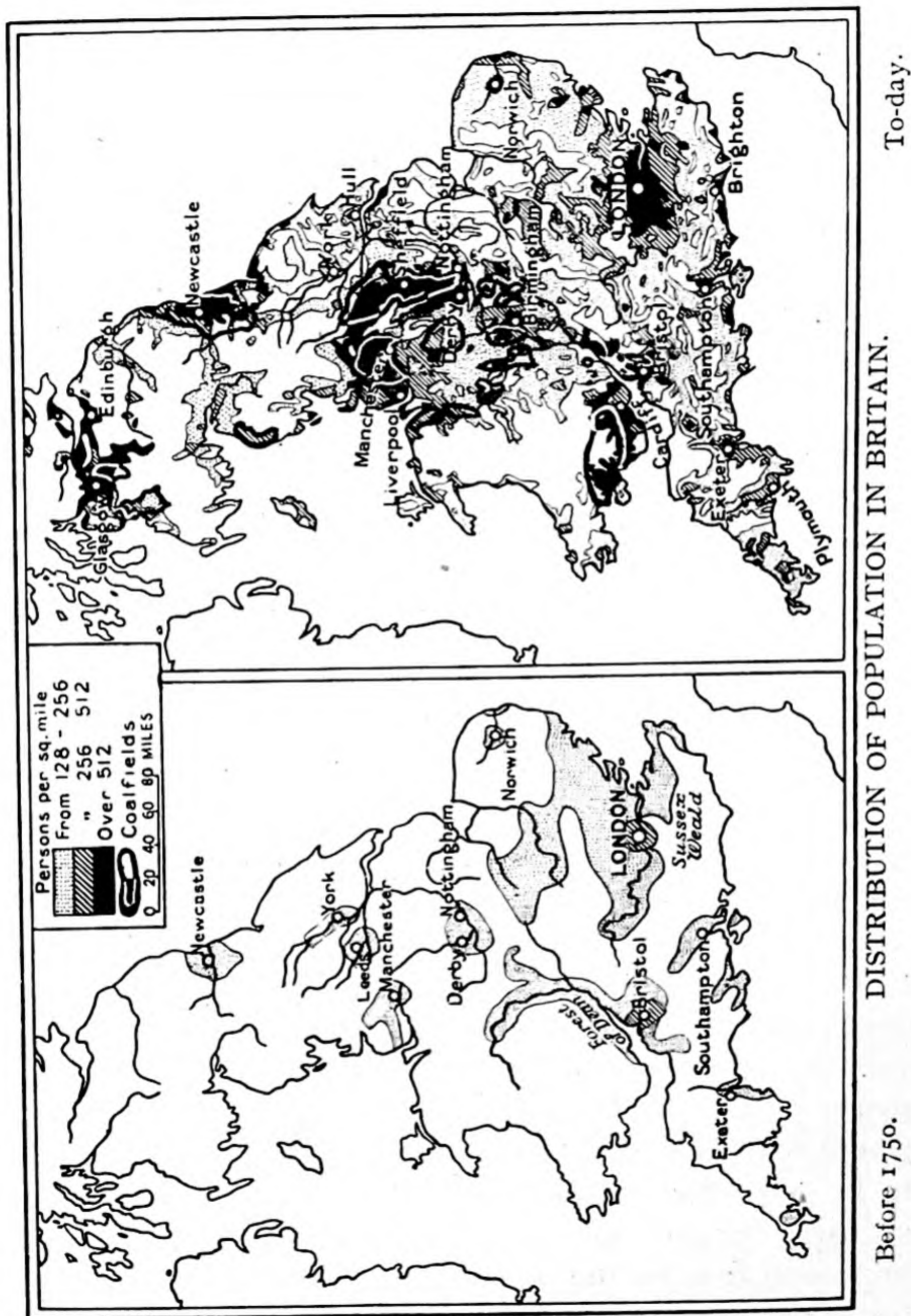
WATT'S IMPROVED STEAM-ENGINE.

filled atmosphere of the cotton-mill. But industry flourished.

THE INDUSTRIAL REVOLUTION

About 1730 the iron industry was revived by Abraham Darby's new use of coal, which he converted to coke for smelting the iron ore. The coal trade became important; the steam-engine was invented to pump water out of the mine as men dug deeper. It was then improved by James Watt in 1769.

Coal, iron, and steam power began to be used on a large industrial scale. The steam-engine was developed for rotary power; wheels could be turned and the spinning machines began to be worked by steam power. The mills, therefore, moved to areas where coalfields were opened up. All industry moved to be near the coal and iron districts. A new iron industry began to be developed. Transport was improved first by the opening up of the canals for the transport of coal and other heavy raw material, and



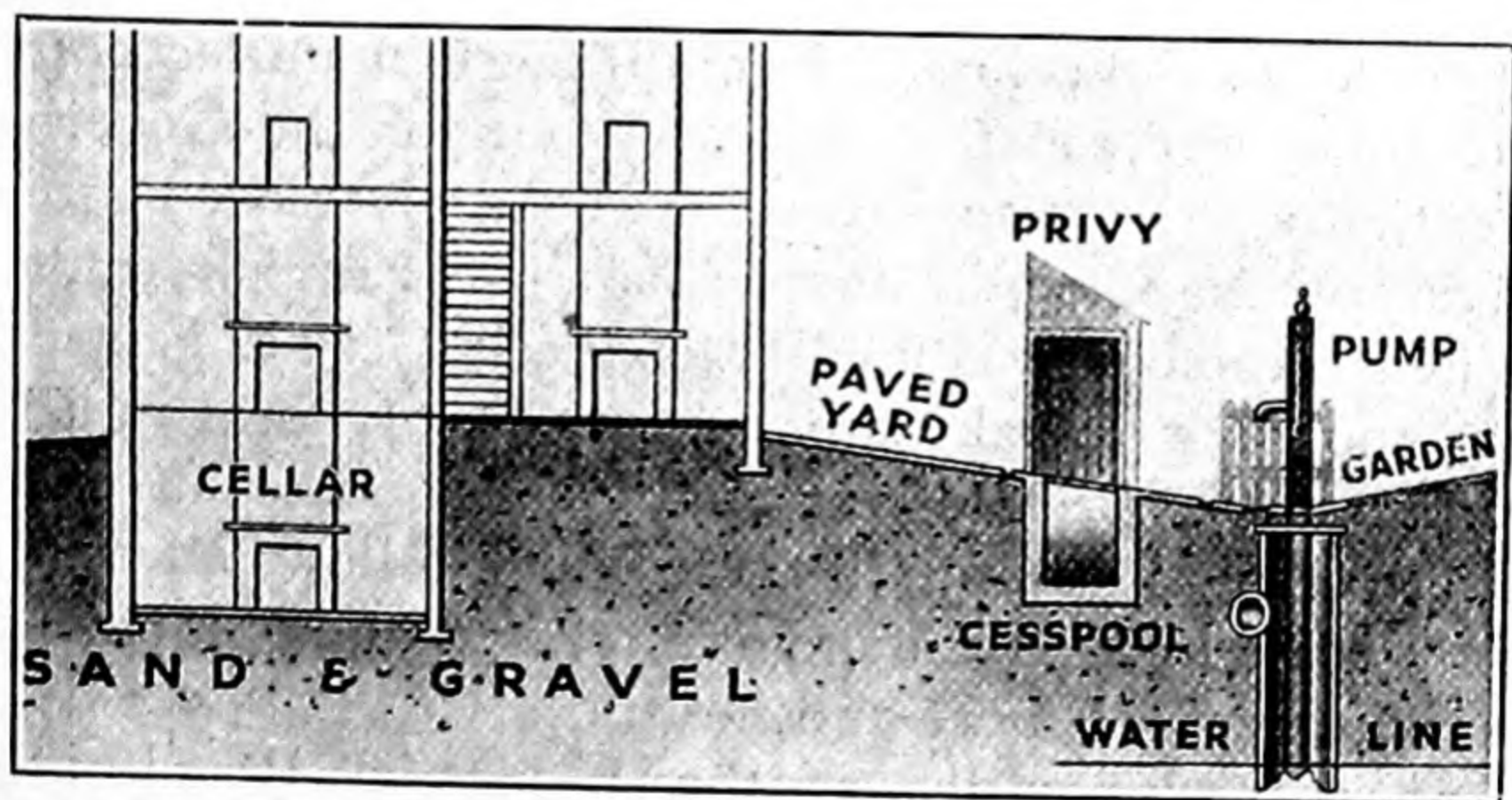
then by the building of metalled roads for coaches, and finally by the invention of the railways.

New towns sprang up like mushrooms overnight in these new areas. Population began to move from the south to the north, from the country to the town.

The population of England as a whole was increasing rapidly during this period. There had been a great increase between 1700 and 1760. After 1760 the rate of increase became still greater, so that it rose from eight million in 1760 to twelve million in 1821.

The increase and movement of the population, the change-over from farming to factory work by so many, as well as the changes in industry itself, caused the old slow processes of State control to break down. The old Elizabethan regulation of industry and wages was completely ignored. The Justices of the Peace looked on helplessly.

The workers in the new towns were completely



HOW REFUSE POLLUTED BIRMINGHAM'S DRINKING WATER.
(Re-drawn from a Royal Commission Report of 1843.)

divorced from the country. Craftsmen no longer lived in houses surrounded by their cultivated holdings. Instead, they lived in houses which were built back to back, the fronts facing a common courtyard, with its cesspool and water-pump. They were insanitary and most unhealthy, and epidemics of cholera and plague were frequent.

Between 1700 and 1760 artisans had been well off. Wages were going up, and most workers were still independent craftsmen working in their own cottages.

After 1760, although the great industrial changes caused the wealth of the country to increase tenfold, the conditions of the artisans became progressively worse. At first they gained a rise in wages, because of the great demand for labour, but this did not last long. As the number of machines increased, the men were thrown out of work and women and children largely took their places.

Between 1793 and 1815 lay the long period of the Napoleonic Wars, towards the end of which the boom in trade was checked. For although manufacturers had huge war contracts to carry out for the Government, the European market was largely closed after 1806 by Napoleon's decrees against English trade. When Napoleon was finally defeated in 1815, Europe was too poor to take any great quantity of English goods and of course war contracts came to an end. There came the slump in trade which follows all wars. Employers took advantage of increased unemployment to reduce wages more and more.

So that difficulties of the Industrial Revolution were made greater because in its middle stages it coincided with the Napoleonic Wars.



HARVESTING IN 1804.

The increased population and the French Wars also made the food position critical. There were, too, some bad harvests during these years. Consequently the price of bread rose steeply.

THE AGRICULTURAL REVOLUTION

The need for more crops during the long war period brought a demand to abolish the old-fashioned "three field and strip" system of cultivation, which still existed, although serfdom had been abolished. New methods were introduced by wealthy landowners which did away with the fallow field and instead relied upon a scientific system of rotation of crops. Small peasant farmers—yeomen farmers as they were called—were in the way and common land was enclosed by Acts of Parliament, especially after 1797, and the small farmer found he had no land upon which to feed his cows and pigs. He was forced to give up farming and either went into the new factory towns or became a paid agricultural labourer. Sometimes, it is true, he became a factory owner. Thus while the amount of corn growing was increased by the use of large farms, there disappeared that section of independent peasant workers known as yeomen. As prices of bread rose and wages were not increased, these agricultural labourers had to beg for support for themselves and their families.

When the wars were over in 1815, the larger landowners complained that as they had taken over so much poorer land for cultivation and sunk money in this, they would now be ruined if foreign corn were allowed to be imported freely. So Parliament passed the Corn Laws in 1815 to tax imported corn. In this way the high price of bread was maintained while wages became less and less.



CHAPTER VII

THE WAGE EARNERS IN THE NEW AGE

BREAKDOWN OF THE OLD SYSTEM OF STATE CONTROL

IN the last chapter we saw how in the first quarter of the nineteenth century the old conditions of work had changed; the independent yeomen farmers have disappeared and the independent cottage craftsmen have been driven to work in factories in the new congested towns. They worked very long hours and accepted low wages, and starved if they were out of work.

We also saw how the old Elizabethan laws regulating trade and industry were no longer observed. To the wage earners the most important of these were those which gave the Justices the right to regulate wages. In 1813 the hand-loom weavers in despair petitioned Parliament to enforce the old labour laws and in particular the famous Fifth of Elizabeth. Parliament after deliberation rejected their petition and decided to repeal the old Act.

Why did not the workers help themselves by

common action? Thrown together in the new factories, it was natural for them to combine, and in fact trade clubs were formed. But such action was against the existing law. Laws against combination were very old. Some were passed before the time of the Tudors. In 1799 and 1800 Parliament, through fear of the French Revolution, passed two further combination laws which forbade workers to unite even to prevent their wages being reduced. Magistrates abused their power and threatened men who would not take low wages with imprisonment or service with the fleet. So that after 1813 not only did the law no longer safeguard the wages of the workers, but was definitely against them, and moreover it forbade them to band together to help themselves.

But the advantages of combination were obvious. Workers huddled together in the new factory towns combined instinctively. Groups of men had midnight meetings in lonely places; they buried their records; they administered oaths of secrecy to their members with curious mystical rites. A group known as the Luddites organised themselves to smash machinery. In 1816 rioting broke out all over the country.



LUDDITES SMASHING
SPINNING MACHINES.

NEW IDEAS ON HOW INDUSTRY SHOULD BE RUN

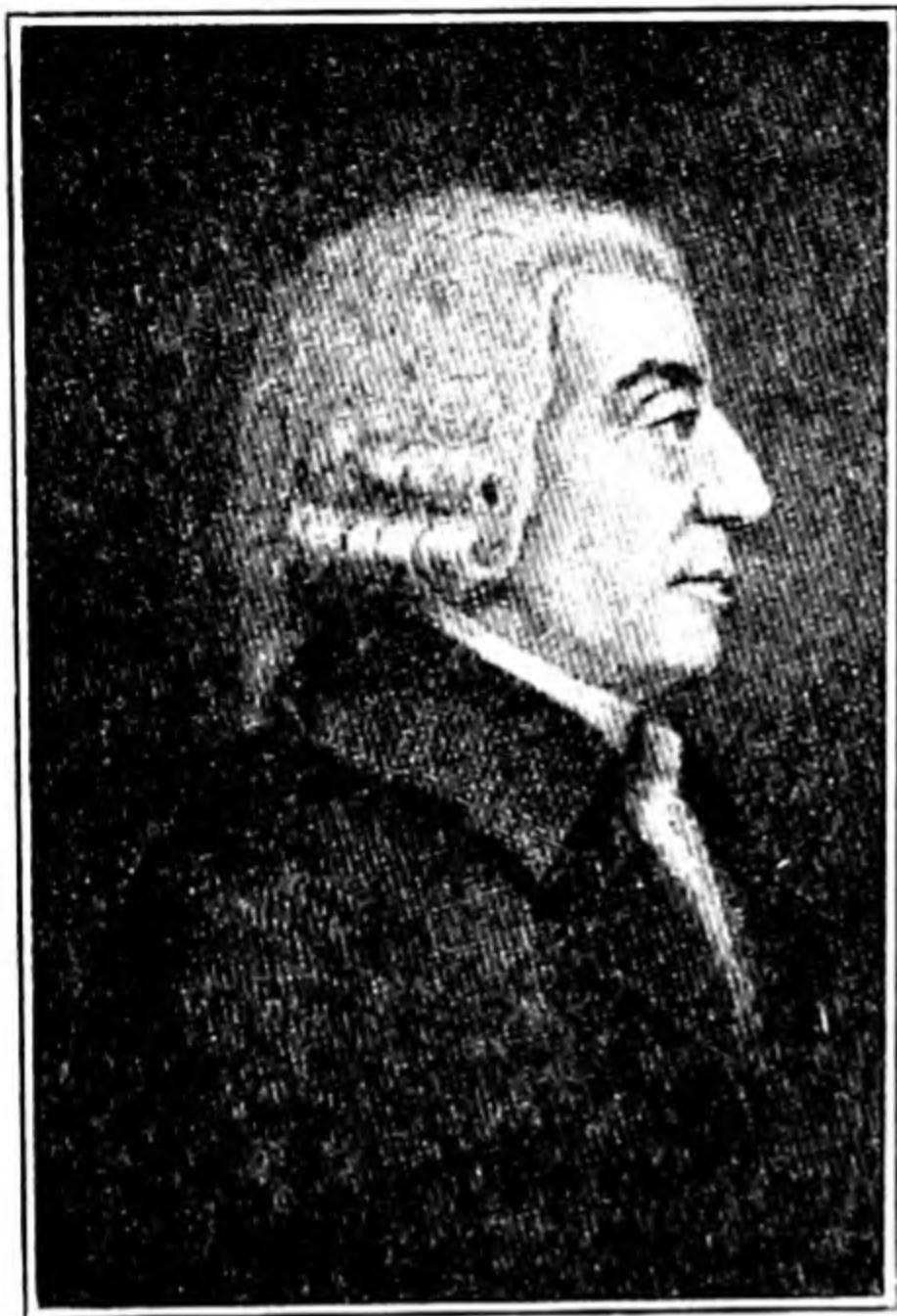
What was in the mind of Parliament which allowed this state of things, which allowed all the old safeguards to the workers to disappear and refused new safeguards ?

First, we must remember that Parliament in those days represented the landowning classes, who were terrified of revolution and were afraid of organised bodies of workers.

Secondly, they gave up the attempt to maintain the old laws regulating industry, because changes were so rapid. In addition they were so preoccupied with the war that they probably did not know what to do to ameliorate the lot of the wage earners. And they did not want to interfere with the wealthy manufacturers. The country needed their wealth.

Thirdly, people came along who claimed to understand the new problems and advocated a new approach. Their teaching convinced Parliament. Unfortunately it was the wage earners without influence in Parliament who were sacrificed to the new theories and to the needs of the time. Let us see what were these new theories.

In the Middle Ages and in the Tudor period onwards it was assumed that society or the nation was concerned directly with what was happening to agriculture and industry. Acts of Parliament controlled the condition of work of labourers and craftsmen. Now thinkers and writers came forward to argue that not only was this unnecessary but actually harmful, for it hampered initiative and enterprise and prevented a nation becoming wealthy. Trade, they said, was



ADAM SMITH.

now on too big a scale for such control. Anyway, they argued, trade was a man's private affair and was no one else's business.

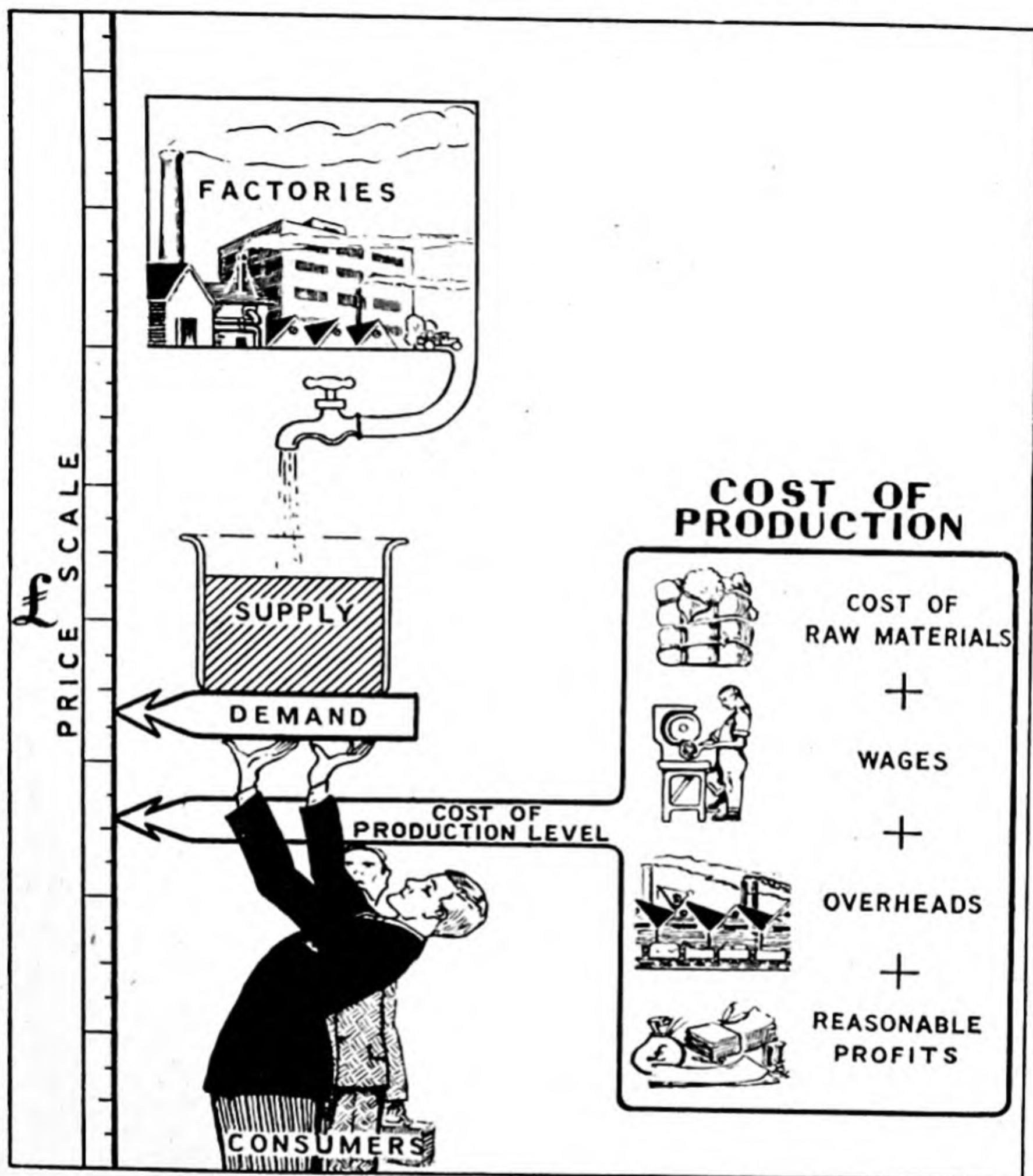
The greatest thinker and writer on the problems of the time was Adam Smith (mentioned earlier), who wrote in 1776 the famous book called *The Wealth of Nations*. Therein he argued that all State interference in trade decreased a country's

wealth. His book had such a great influence that we must follow some of his reasoning.

LAISSEZ-FAIRE

He argued that the policy of *laissez-faire* (French words meaning "leave alone") was the one that Governments should follow. But should you ask, would there be order in the industrial life of a country if it was nobody's business to control and to plan, the answer was that the hidden hand controlling industry and trade would be self-interest.

Left alone, men would be guided by their self-interest, and they themselves as sellers and buyers, as



HOW PRICE IS FIXED.

Increased supply causes price to fall.
Increased demand causes price to rise.

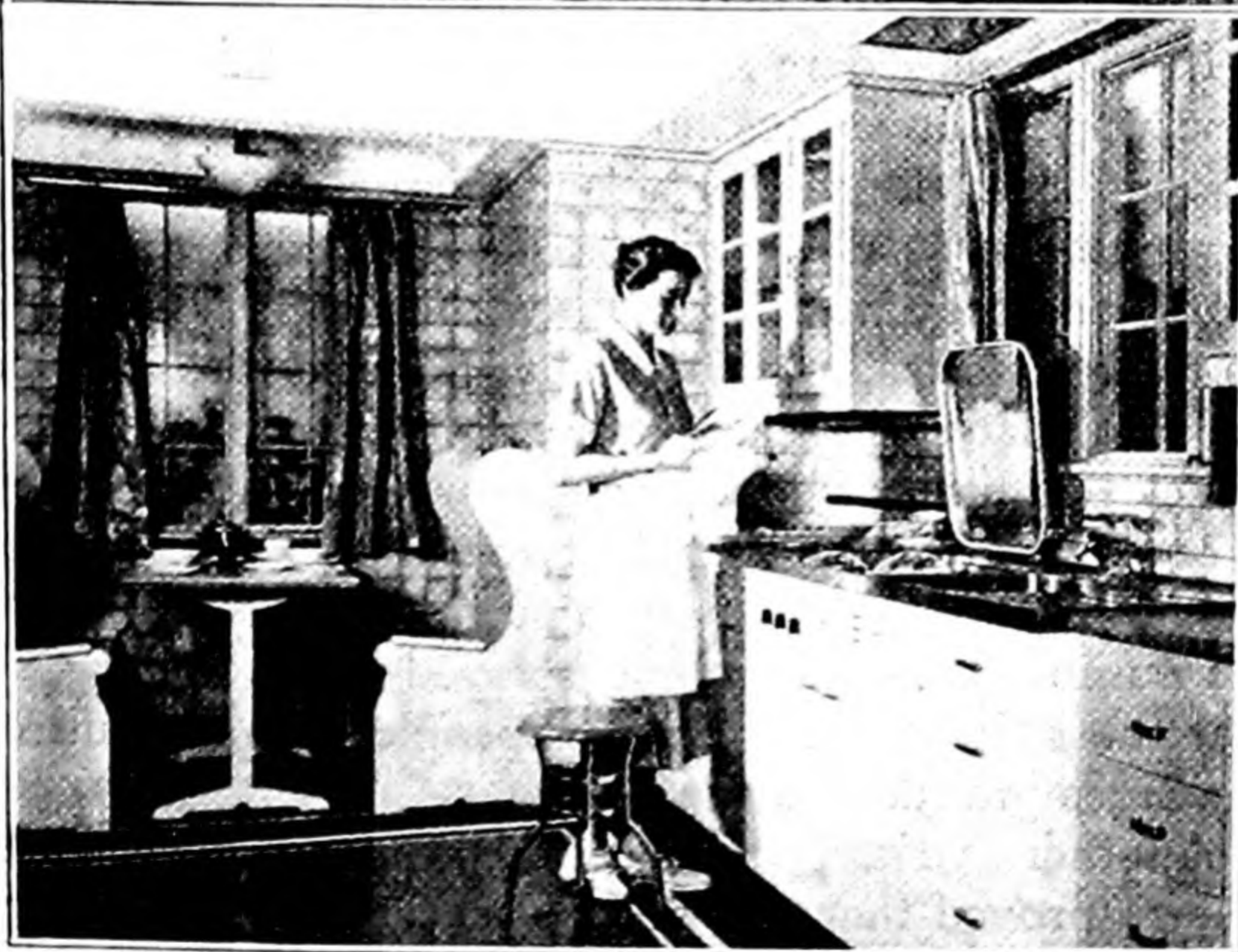
To keep on producing, the manufacturer needs his cost of production.
C. of P. = cost of raw material plus wages plus overheads plus reasonable profit.

employers and workers, would know what was best to do. Each person in trying for himself would also increase the wealth of the nation. Checking everyone's actions for the ultimate good of all would be competition. Competition would enable a trader to sell at a better price or quality when another was charging too much or selling inferior quality. The question of what was the right price would be settled by the supply of any commodity in relation to the demand for it. An increased supply would lower the price, an increased demand would raise prices. Though prices might go up and down, while there was free competition, what Adam Smith called a "natural" price would be arrived at. This natural price, while determined by the relation between the supply and the demand for an article, could never be far above or below its cost of production. For if it went below, manufacturers would cease making it, and if it went above, other competitors would step in to make and sell it. If you interfered with the natural price by artificially interfering with competition, then it would hamper manufacture and trade.

THE DISMAL SCIENCE

How did his theories affect wage earners? Adam Smith argued that workers sold their work just as a trader sold an article. The natural price of that work was its cost of production, and according to Adam Smith this cost of production of labour was what was needed in food to enable a worker just to live.

Adam Smith taught you could not raise wages above



Above : A PEASANT HOME IN CHINA.
Below : INTERIOR OF A WORKING-MAN'S HOME IN U.S.A

subsistence level. For if you increased wages, then the wage earners would have large families and in the next generation there would be a larger number of workers competing against one another for jobs, and this would cause wages to fall to a level below even that which was enough to keep a man to live on. There would be misery and starvation. (Apparently this argument about the effect of increased income applied only to wage earners and not to wealthy people.) But compare to-day the standard of life of a worker in the U.S.A. with that of a peasant in India or China. Adam Smith's vision was blinded by the hard lot of the workers of his day. He assumed that wage earners would not raise their standard of living.

In any case, Adam Smith argued that you could not raise wages above a certain level because only a fixed amount from the sale of a manufactured article could go in wages. Otherwise you reduced employers' profits and they would withdraw their capital and shut up their factories. This fixed wage fund idea ignored the fact that skilled workers might be worth higher wages because they produced more for an employer. Moreover, an employer might be satisfied with smaller profits or he might use more machinery in relation to the number of workers he employed in his factory, so that the same number of workpeople with the aid of machines produced more goods.

Another writer, named Malthus, argued that history proved that the world's food supply could not increase as fast as population, and that the world's population was kept down in numbers by disease,

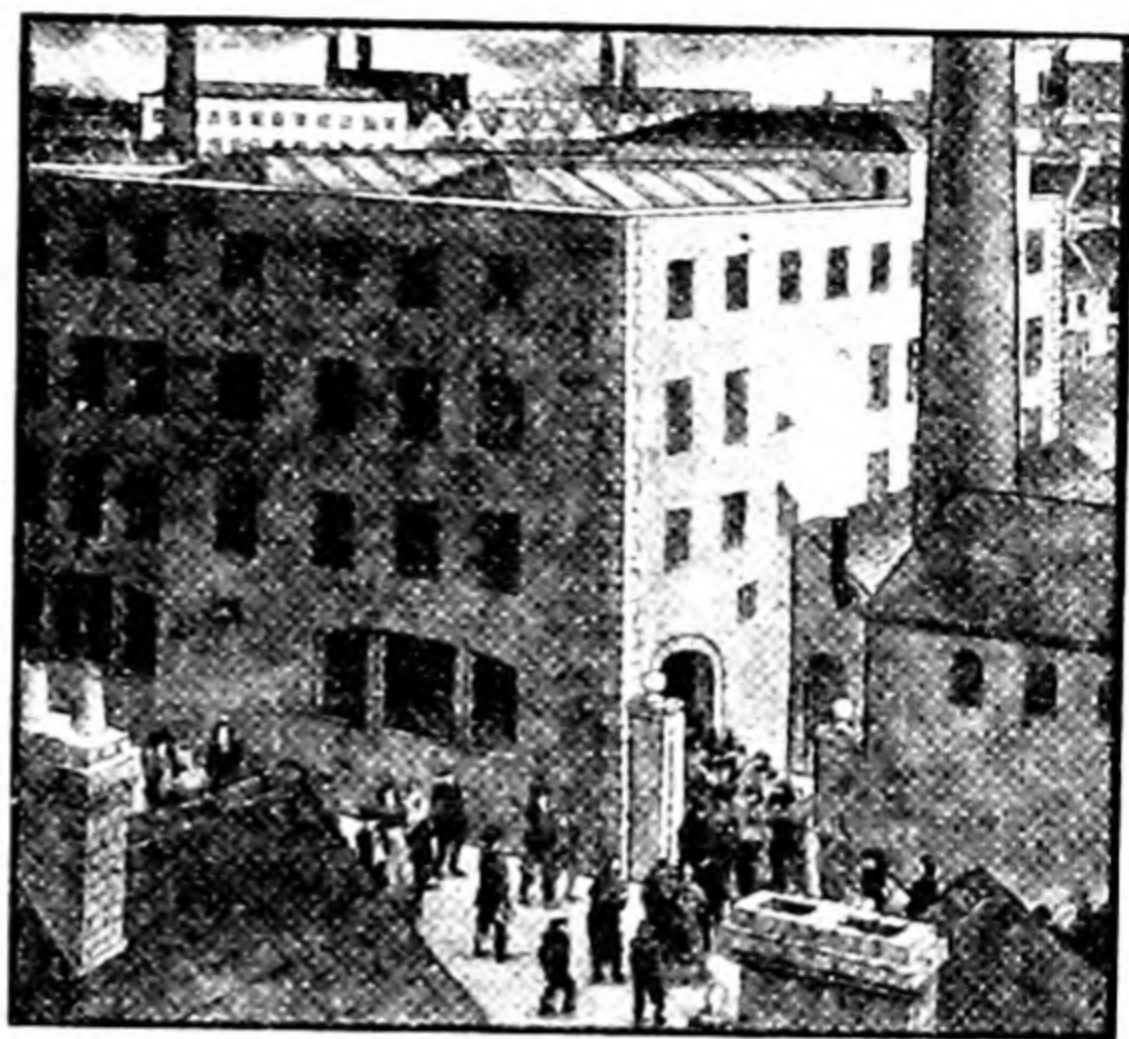
starvation, and war. If you increased wages, you encouraged large families who would starve in the next generation.

Thus all the economists proved you could not raise wages. If Parliament interfered or if the

workers forced employers to increase wages instead of allowing free bargaining between employers and workers, disaster would befall the country and the wage earners themselves. This, they said, was the Iron Law of Wages. No wonder people called the new science of Political Economy, the Dismal Science.

However, the new employers, who found all the old laws regulating industry irksome, who saw new inventions and new processes revolutionising industry, bigger and bigger mills and factories, more complex organisation of business, greater and greater groups of workers under one roof while they themselves accumulated great wealth—all these employers agreed with this vision of a new heaven in industry.

Parliament, too, was impressed by these arguments. Consequently it repealed, in 1813, the Act of



GREATER AND GREATER GROUPS OF WORKERS UNDER ONE ROOF.

Apprentices of 1563, and would not countenance the creation of trade unions.

THE CORN LAWS

Parliament was thus convinced of the advantages of free competition when the workers asked for help. Yet in 1815 when the landowners asked for protection, Parliament did not refuse help to them. Instead it passed the Corn Laws to protect the large farmers against foreign competition. The result was to maintain the very high price of bread. No wonder the wage earners complained. The balance seemed always tipped against them. They refused to believe that their hard lot was indeed inevitable.

And there were influential men in both Houses of Parliament and outside who were not convinced that all was as it should be. They would not accept the "leave alone" policy when it left weak women and children to a merciless industrial machine and poor wage earners on unequal bargaining terms with a strong employer.

Before, however, dealing with this reaction against *laissez-faire*, we must see how the weakest section of the population was treated by the nation during these hard times. The unemployed, the very old and very young, and the sick became more and more of a problem. How did the principles of *laissez-faire* affect them? In the next chapter we shall see first how they were treated in the Middle Ages and the Tudor period, before seeing how they were treated during the period of the Industrial Revolution.



CHAPTER VIII

A CHAPTER ON THE POOR

AT the beginning of our course we noted what happens to-day if father is out of work, if grandmother is too old to work, or if cousin George is chronically ill. We noted the various Government departments and local bodies who must help people in distress, because of laws passed in the last hundred years.

THE MIDDLE AGES

Years ago, no such Government departments or local authorities existed. Yet in the Middle Ages there were safeguards for the agricultural and industrial worker. The sick and the needy if not supported by the manor or the guild could obtain help from the monastery and Church, from monks, friars, and nuns. The giving of charity was important in the life of the pious in the Middle Ages. But after the Reformation



TENDING THE SICK IN THE MIDDLE AGES.

the lot of the poor became aggravated.

Following upon the break-up of the manorial system and the enclosure of common land for sheep-runs, men became landless and without support. The decay of the guilds also withdrew a source of help to needy craftsmen or their widows. The change in religion and the closing of the monasteries withdrew the last source of organised help for the needy, the aged, the orphan, the sick, and the workless. Various other causes also helped to create a large number of unemployed at the beginning of the sixteenth century, notably the ending of the Wars of the Roses. Then prices began to rise and wages were worth less.

The rise in prices was caused by the increase in the amount of money in circulation, or rather by the amount of silver from which coins were made. This

was imported from the newly discovered silver-mines of the Spaniards in South America.

THE FIRST POOR-LAWS

The Tudors and in particular Queen Elizabeth had to deal with this breakdown of the medieval system of help and the ever-growing problem of the poor. And she tackled it, guided by the same principles which, we have already noted, decided what was to be done for those who worked in agriculture and industry. These principles demanded that the State should step in and help. Poor-laws were passed, the most notable at the end of Queen Elizabeth's reign in 1601. This stated that the poor who were old or sick or otherwise helpless should be helped by the parish in which they lived. The parish was to levy a poor-rate on its members, and the money so collected was to be administered by officers called overseers of the poor. The able-bodied poor were supplied with raw material. They were not to be given help in their homes. A Committee of Queen Elizabeth's Privy Council was to see that this system was maintained and that the J.P.s in the counties did their job.

For the next two hundred years the poor were supposed to be treated by the law under the system laid down by Queen Elizabeth. In practice the system broke down; firstly because of the English Parliamentary Civil Wars which removed Government control, so that each district did what it pleased; secondly with the coming of the Industrial Revolution, and above all with the difficult times of the French

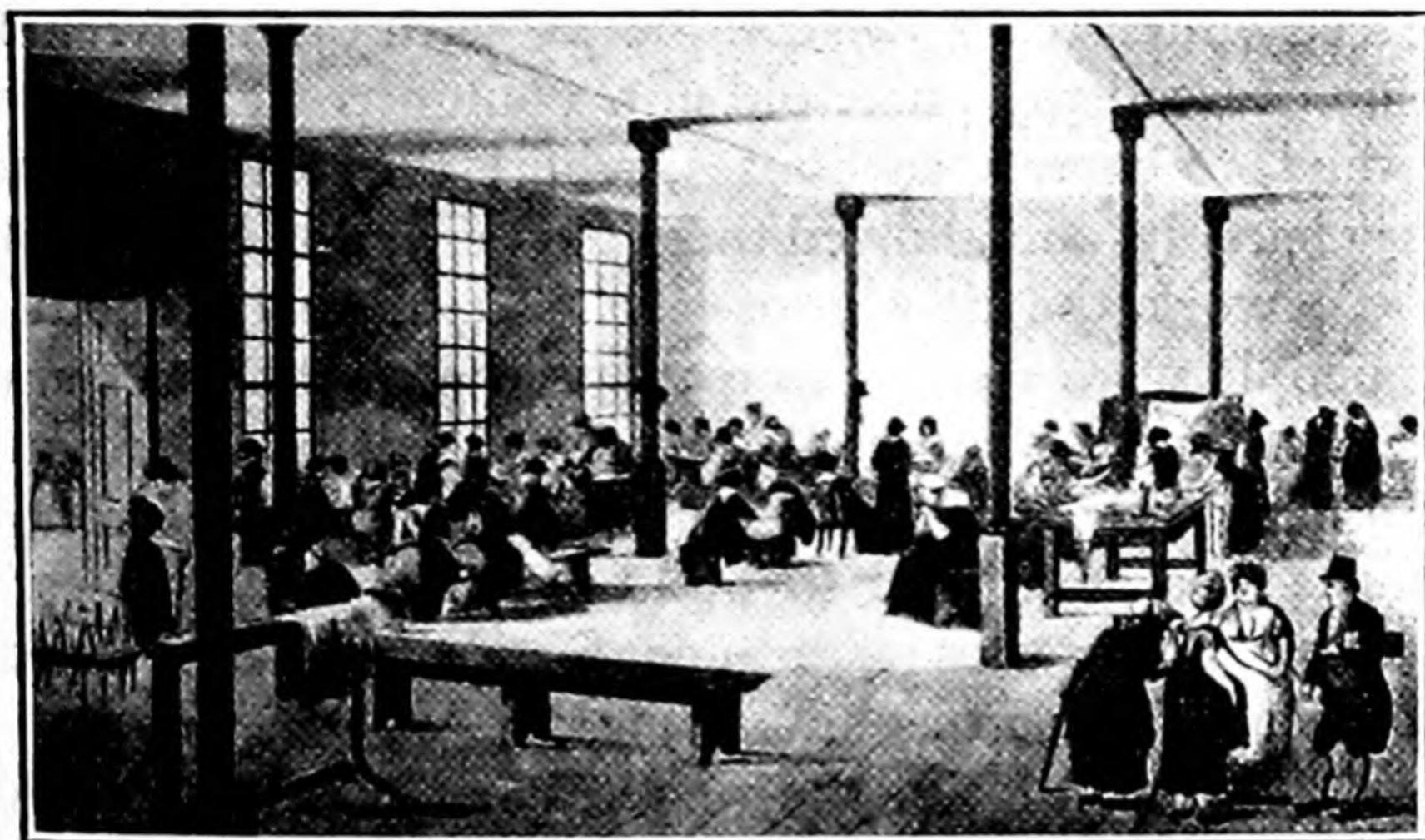
Wars, to which we have already referred. As unemployment grew, as wages fell, as prices rose, so the lot of the wage earners became worse. The rise of prices at the end of the eighteenth century was due to the increase in the amount of money in circulation because the Government circulated paper money without limit.

THE "SPEENHAMLAND ACT"

The landowners were afraid to raise wages; they were also afraid of a starving population. So in 1795 the J.P.s of Speenhamland in Berkshire set a new fashion in poor-relief, which was soon copied by the whole country, by towns as well as by rural districts. They departed from the poor-law principles of 1601 and decided to supplement wages by giving outdoor relief to able-bodied people. They gave free bread when the price of bread rose above 1s. a loaf and they increased this if the family was large. The majority of the workers were thus pauperised. Many were hired out in gangs to work for farmers. They had no incentive to improve their lot. Large families were helped according to the number of children and were demoralised.

And so, added to the hardships of agricultural and industrial workers was the demoralisation of this Speenhamland system of help to the poor, which preferred to keep down wages and to subsidise them by increased poor-rates.

But the Speenhamland system was hardly in conformity with the principles of *laissez-faire*. The fear of the French Revolution, however, main-



INTERIOR OF A WORKHOUSE IN 1809.

tained the system; but when the war was over, ratepayers demanded that Parliament should take action.

THE 1834 POOR-LAW ACT

A new Parliament met in 1833. We shall have to study with particular interest the way this Parliament was elected. For the first time, by a change in the method of election, the influential members of the Parliament were the manufacturing and the shop-keeping classes, and they decided that it was time to deal firmly with the position of the poor.

Acting on the principles of *laissez-faire*, they declared that if help was to be given, it was to be as little as possible, and that the lot of the workless was to be "less eligible" than that of the poorest paid man in work. In 1834 a new Poor-law Act was

passed which did away completely with outdoor relief, which forced the poor, old and young as well as able-bodied, to enter workhouses, where they were treated very harshly, and allowed them to starve if they did not.

To work the new poor-law system, special bodies of people were elected to manage the workhouses and levy rates. These people met as Boards of Guardians and had paid overseers to act on their behalf. Groups of parishes combined to build "union workhouses." The officials in these had to conform rigidly to instructions laid down in London.

To the hard lot of the wage earner was now added the fear of starvation or the degradation of entering the workhouse.



CHAPTER IX

THE REACTION TO *LAISSEZ-FAIRE*

BUT despite the 1834 Poor-law Act, which emphasised the “leave-alone” (or do as little as you can) principle, a reaction to *laissez-faire* had already set in.

The reaction came from people who would not agree that the only motive in human behaviour was the economic one, which caused people to drive the hardest bargain. There were good employers like Robert Owen, who owned a mill in Lanarkshire, and who proved that he could give his workers better wages, shorter hours, and improved factory conditions, and even schooling for his child workers, and yet still prosper in his business. Robert Owen did not believe that private interest, individualism alone, made



ROBERT OWEN.

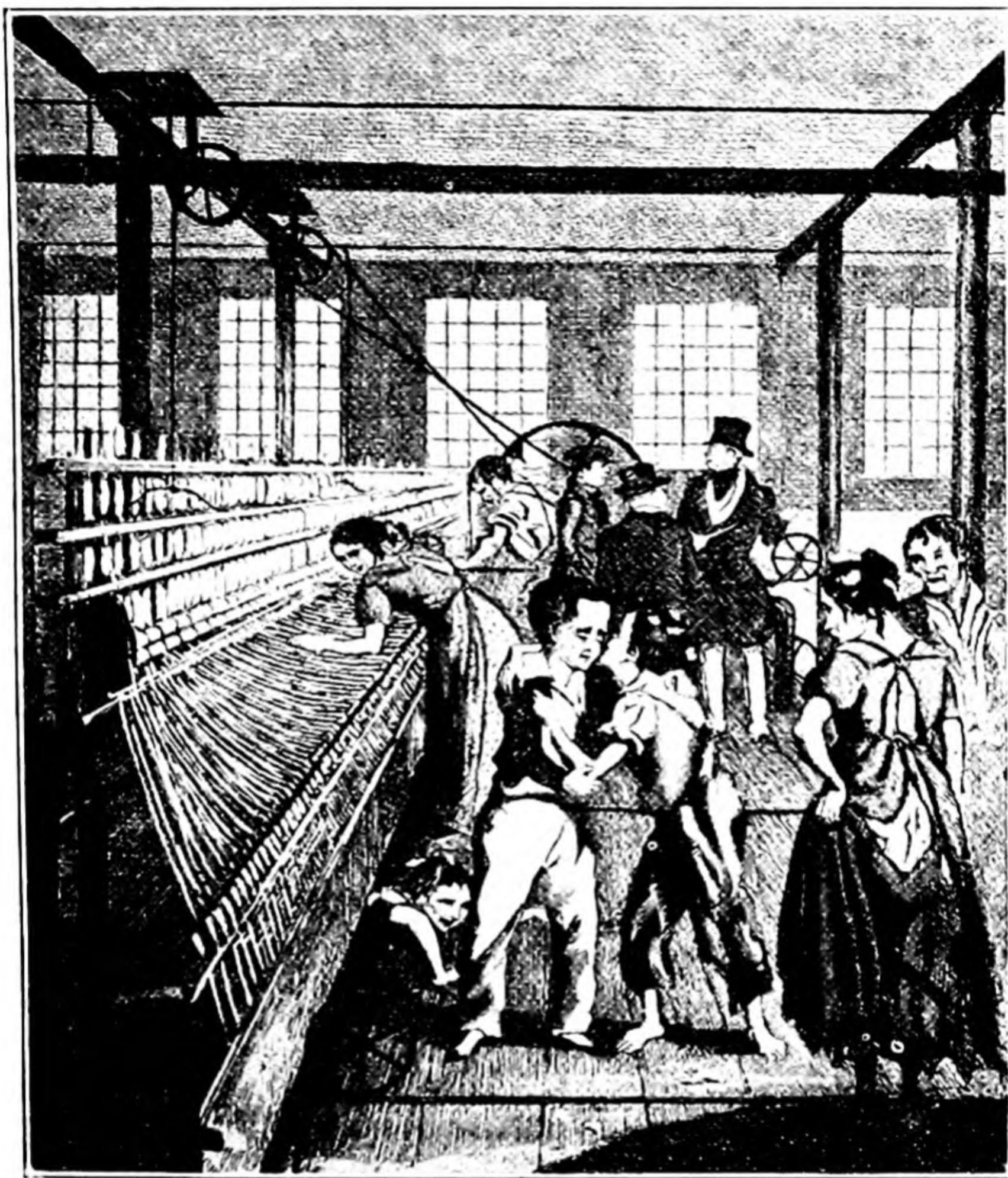
people give of their best. He believed in co-operative effort and socialism.

THE FACTORY ACTS

The revulsion in feeling showed itself most strongly in the agitation against the terrible child slavery that had developed in this black period of English industrial history. First orphan workhouse children were employed as

apprentices and for no pay, for as long as sixteen hours a day in the stench and heated rooms of the mills. They were fed upon the cheapest food and mercilessly beaten. They became crippled, diseased, and died young. Later, other children were employed because of their cheapness while their fathers were out of work. Public-spirited men like Richard Oastler and Michael Sadler championed the cause of the little mill hands. A humane aristocrat, Lord Shaftesbury, added the prestige of his position in their support. Competition was all very well and fair between equals, but women and children obviously were not in a position to withstand the demands of harsh employers.

A series of Factory Acts was passed in 1802, 1819,



CHILD WORKERS IN AN EARLY COTTON-MILL.

1831, 1833, and 1847. Of these the 1833 and 1847 Acts were the most important. Children under nine were not to work at all, children of nine to thirteen not more than forty-eight hours a week, and so on. Night work was abolished for young people under

eighteen, provision was made for children's attendance at school and for the appointment of factory inspectors. The 1847 Act reduced the work of young persons to ten hours a day. A later 1874 Act made the minimum age of children in factories ten years.

These Acts were opposed by the economists and factory owners, but were supported by the landed gentry. The mill owners in revenge helped to repeal the Corn Laws, much to the disgust of the landlords, "who did not mind the workmen having shorter hours at other people's expense, but objected to their having cheaper bread at their own." The object of the support by the mill owners of the repeal of the Corn Laws was that if bread became cheaper, they could give lower wages.

TRADE UNIONS ALLOWED BY LAW : 1824

If there was unfair competition between an employer and women and children, there was, it was argued, similar unfairness between the strong employer and weak wage earner. The wage earner who would starve if out of work could not be said to be on equal bargaining terms with the well-to-do employer. This plea was put forward by a thoughtful breeches maker, Francis Place, living at Charing Cross, who had great influence with M.P.s. As a result of his efforts, the Combination Acts were repealed in 1824 and trade unions were made legal.

In the background of these fair-minded champions

was the fierce agitation of the people themselves, who demanded improvement in their hard lot, who wanted laws to check the employers and a voice in the making of these laws.

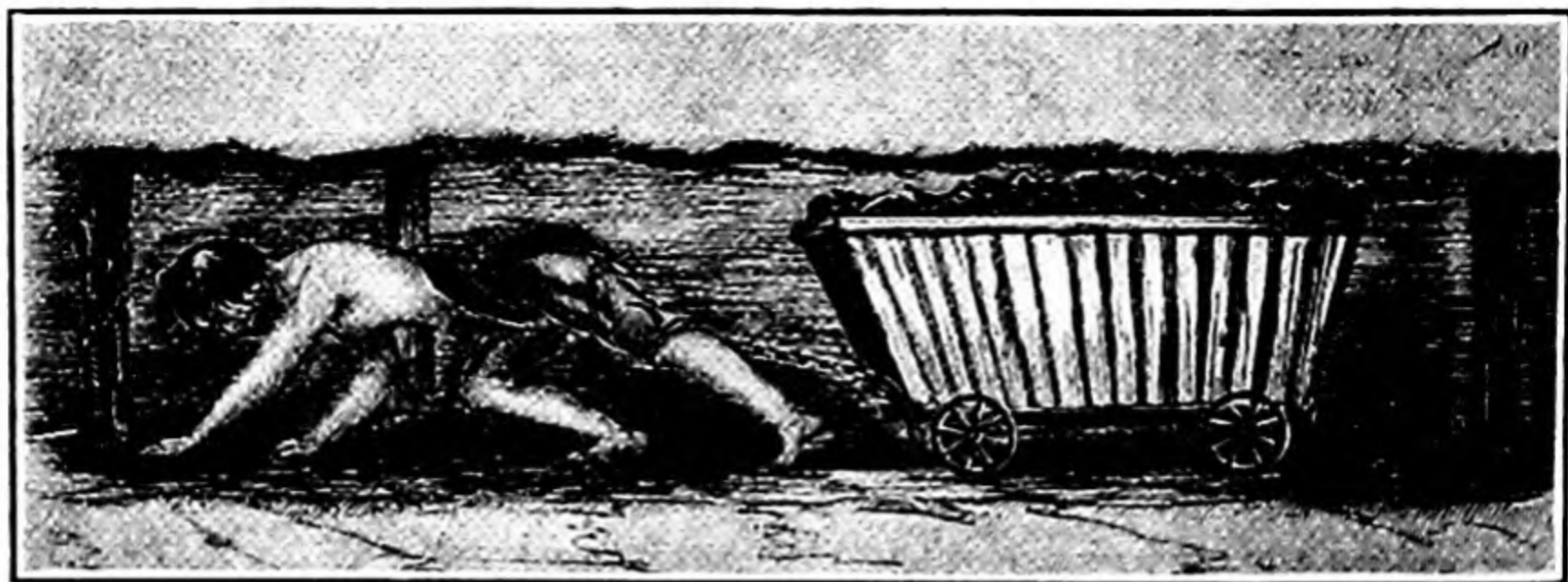
Consequently not only were the Factory Acts passed, the trade unions legalised, and the Corn Laws repealed, but in 1847, again owing to the work of Lord Shaftesbury, a



LORD SHAFTESBURY.

Mines Act was passed which forbade work in mines for boys under ten and for all women who, till then like beasts of burden, used to crawl on all-fours, dragging trucks of coal through the narrow passages of the coal-mines. Truck Acts were passed which forbade the payment of wages by orders on food and other articles to be purchased in shops belonging to the employers.

And in 1848 the first great Public Health Act was passed, which attempted to deal with appalling conditions under which people lived in their homes. The 1847 cholera outbreak proved that disease would not respect the well-to-do once it became rampant in the crowded homes of the poor; an attempt was made to deal with the water supply and to control the



A YOUNG CHILD IN A COAL-MINE IN 1842.

sewage of the towns, the main channels of cholera disease.

SOCIAL LEGISLATION OF THE NINETEENTH CENTURY

The story of the nineteenth century is the story of the continued intervention by the State to check the application of the *laissez-faire* principle when it obviously was harmful to weaker members of the community. The conditions of the working classes and indeed of the whole community were improved by continuous social legislation which checked the individual in the interests of the public. Not only were workers given the right to combine, but trade unions were given legal protection; not only were women prevented from working in the mines, but the dangerous occupation of their menfolk, miners, sailors, and others, were largely safeguarded; not only were the hours of women and children limited in the factories, but also those of men.

It was a very slow process of reform brought about by public-spirited men and public agitation. The same discontent brought about revolution on the

Continent. The two main ways in which this process was brought about in England was through the reform of Parliament and through the growth of the power of the trade unions, both helped by the growth of knowledge among the mass of the people.

The reform of Parliament, so that more and more sections of the community had a say in the government of the country, led to the passing of laws to regulate industry and to improve the health and life of the people, including the education of their children. This was accompanied by great changes in local government, whose authorities became the agents by which conditions of industry and the social well-being of the people were safeguarded.

It will be necessary, then, in dealing with the story of the social changes in the nineteenth century, to talk about the growth of the trade unions, the reform of Parliament, and the development of local government. Their story is intertwined and difficult to separate, but for simplicity we shall have to follow each separately.

We begin with the story of the trade unions.



CHAPTER X

TRADE UNIONS

WE begin first with the story of trade unions, noting again that they are not a development of the medieval guilds. The guilds were associations of masters and men and died out by the time of the Tudors, when masters and men became separated in industry.

This separation was made more obvious after 1750, as we have seen in the story of the growth of the factory towns and the deterioration of the condition of the wage earners. The wage earners could not help themselves by collective action because the law would not allow working men to combine. Actually they did so in secret societies.

COMBINATION ACTS REPEALED 1824

The plea for changing the law was made by the breeches maker Francis Place, living at Charing Cross. He was himself a master-man, but was appalled at the way working men were victimised and persecuted for daring to combine. Moreover, he was very friendly

with M.P.s, who had a great respect for his wide knowledge and ability. As a result of his efforts, the Combination Acts were repealed in 1824, but the old laws against taking oaths and meeting in secret remained.

The growth of the trade-union movement after this

date was not one of steady progress, but was uneven and painful. Trade unions were formed and quickly dissolved, their leaders frequently imprisoned. These in the early nineteenth century were inexperienced and in a hurry. They thought that Utopia was round the corner and the millennium only a few years ahead. In the 1830's they were inspired by the teaching of Robert Owen, whom



FRANCIS PLACE.

we have already mentioned in connection with the Factory Acts. Owen was extremely practical in some of his projects, but completely unpractical in others, not understanding the consequences of his teaching, which was that the workers could take charge of the factories and carry on themselves. The wage earners,



THE MEETING OF THE DORSET
LABOURERS UNDER THE MARTYR'S
TREE AT TOLPUDDLE.

goaded by the employers who regarded them merely as hands, accepted this teaching. We must remember that they had no vote in Parliament, and therefore concentrated on "direct action."

EARLY TRADE UNIONISM

The first attempt, then, at trade unionism after 1824 was to form a vast organisation which was to lead to a general strike. Several were tried, and finally the Grand National Consolidated Trades Union was formed. It included all types of workers and was joined by agricultural labourers as well. The Government brought up the old law against the administration of oaths. In 1834 six Dorset labourers were convicted and sentenced to seven years' transportation to the convict settlements of Australia for a midnight meeting involving the administration of oaths. Faced with such ferocious sentences, revolutionary trade unionism collapsed.

There were three periods in the nineteenth century when the trade unions attracted large numbers of

working men. They were 1833-4, 1873-4, 1889-90, and we shall deal with each in turn.

From the beginning the trade-union movement had two types of associations, the benefit club and the trade society. The benefit club acted as a friendly society and helped those members who were out of work or who had fallen on bad times, while the trade society was more concerned with collective bargaining with the employers to get better wages and hours. When employers invoked the law against the trade society, workers changed their union into a benefit club. It was this sort of combination that Place fought to make legal. And because of the difficulties with the law, not all working-class leaders in those days believed in trade-union action. They thought they could get more by extending their power in Parliament. Consequently when the trade societies collapsed in 1834, two things happened. First we find the bulk of the wage earners turning to Parliamentary reform, while those who believed in trade unionism turned to developing quietly the benefit-society form of association.

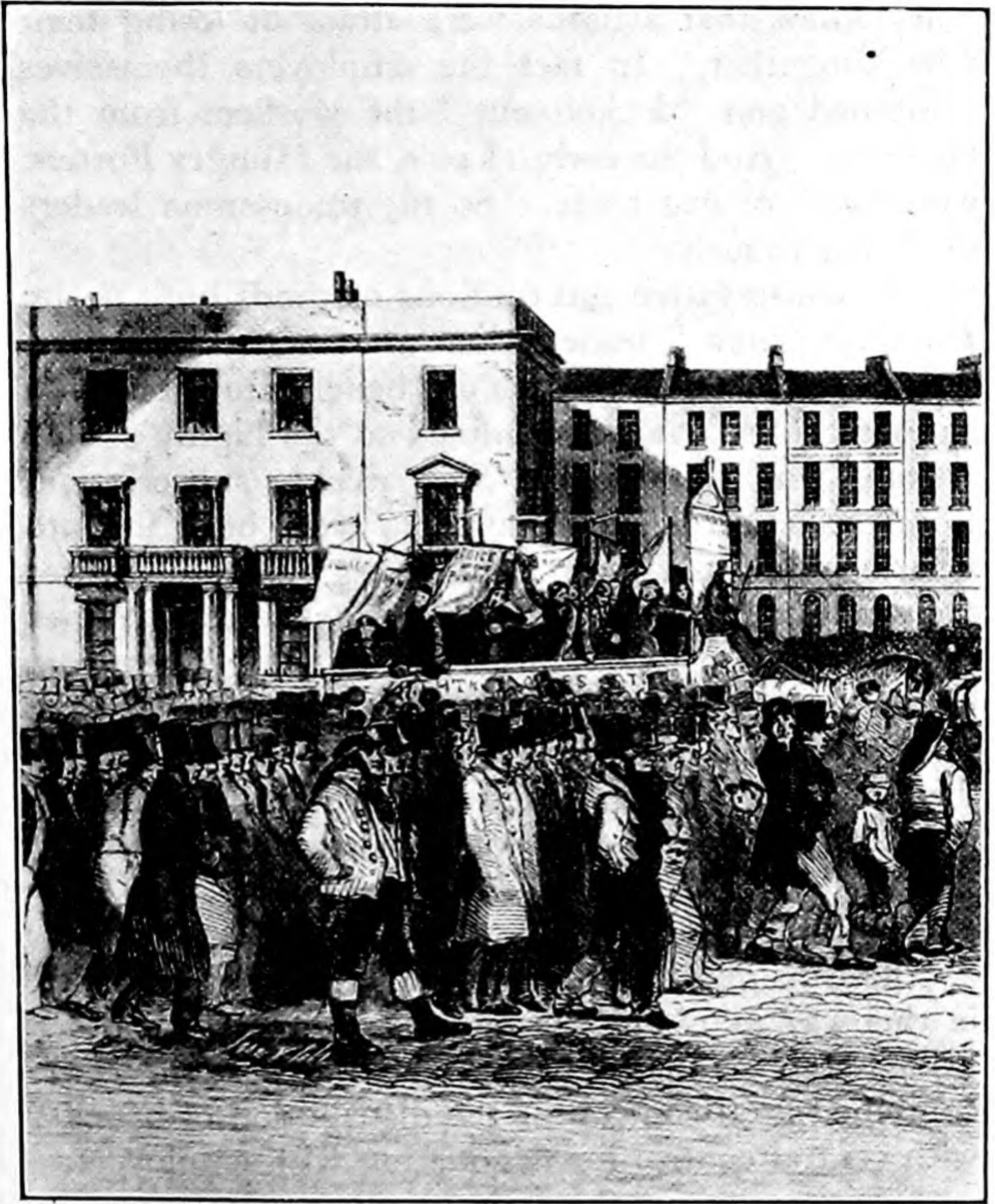
THE CHARTIST AGITATION

There was a great agitation for the reform of Parliament, which till 1832 largely represented the landowning classes. In 1832 the famous Reform Act was passed, but the vote was given to small-property owners, manufacturers, shopkeepers, and professional men. The wage earners were bitterly disappointed, especially as the firstfruits of the reform of Parliament

was the Poor-Law Act of 1834, which reduced the amount of relief given to the poor and made poverty almost a crime. Agitation continued for further reform. An organised body of people agitated for a people's Charter, calling themselves Chartists. There were six points to their Charter, the five chief demanding manhood suffrage, which means a vote for every man, vote by secret ballot, payment of members of Parliament, the abolition of property qualification of members, and annual Parliaments. All these reforms, remember, were pressed to secure the ordinary man's influence in Parliament so as to obtain social changes.

The agitation of the Chartists from 1838 to 1848 was fierce and violent, and although the movement died down, yet Parliament was forced to pass certain Acts to improve the workers' conditions, such as the Factory Acts, the repeal of the Corn Laws which kept up the price of bread, the Acts against truck payments, Shaftesbury's Mines Act, and the first Public Health Act of 1848.

Meanwhile the trade-union movement itself had cautiously kept to peaceful means and had developed a new form of the older benefit society. The trade-union leaders had found that while all artisans saw the advantages of combination, it was difficult for those in work to give up work and forgo their wages on behalf of another section. They needed funds at the back of them. In any case they had to move cautiously because of their insecure legal position. Moreover, they found that during periods of bad trade, if they threatened strikes, the employers were not put out.



THE CHARTIST DEMONSTRATION IN LONDON, 1848.

This picture shows part of a huge procession that tried to march to Westminster.

They knew that artisans were afraid of losing their jobs altogether. In fact the employers themselves combined and "locked out" the workers from the factories. And the early 1840's, the Hungry Forties, were years of bad trade. So the trade-union leaders moved cautiously.

The conservative and cautious methods built up by 1850 the "new" trade unionism. Actually the new type of trade union was the old benefit club, but on a national basis. It was confined to the highly skilled artisans who could pay a high weekly subscription. Local societies of such craftsmen were built up into a national, or, as it was called, amalgamated union for the whole country. These new unions were no longer revolutionary. Their aims were limited. They were not concerned primarily with raising funds for a strike as with giving out-of-work benefits and also pay to their members, though they were willing to strike for reduced hours and better wages when necessary.

THE "NEW" TRADE UNIONS

The Amalgamated Society of Engineers was formed in this way in 1851. It was soon a model for other skilled-craft unions, who copied its organisation. This combined local control for the distribution of benefits with central control for negotiating with employers.

The granting of the vote to the town artisans in 1867 and a period of good trade strengthened their position still more. When, because of quarrels between union and non-union men and some violence, Parliament decided in 1867 to appoint a commission to inquire into the trade-union position, and it seemed

1915.

Class _____

No. 253

AMALGAMATED SOCIETY OF ENGINEERS.Branch Belfast 9thName of Member Isaac Mooney

Address of Member _____

Secretary's Name
and AddressSaml. McMaster
31 Spencer StBRANCH MEETINGS WILL BE HELD ON THE UNDERMENTIONED
AT 7-30 P.M. AND CLOSING AT 10

1915.	JAN. 11	25	FEB. 8	22	MAR. 8	22
Centre Fines Levies.	4/-	3/6	3/-	4/-	3/-	4/-
Received by	<u>[Signature]</u>					
Levies.	2/6					

A.S.E.
MEMBER-
SHIP
CARD.

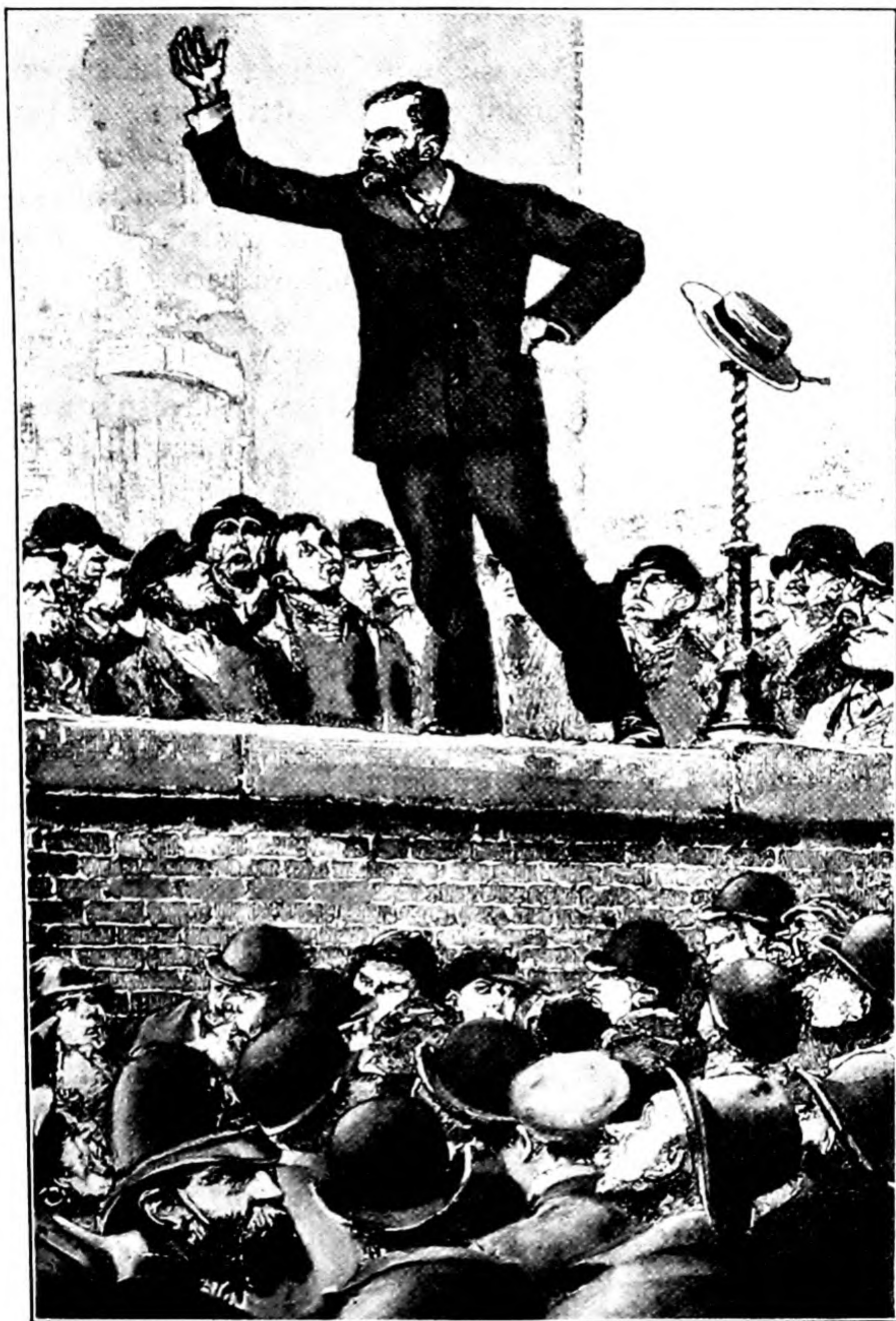
as though their position before the law was again threatened, the skilled workers rallied in large numbers. There was rapid expansion in their numbers in 1873-4.

The cautious and conservative policy of the new trade unions now saved them. The result of the inquiry was the passing of two Acts in 1871 and 1875, which strengthened their position considerably. Till then the trade unions had no legal position and an official could run away with their money and not be punished. Similarly, during a strike it was a crime to picket even peacefully—that is, to persuade other men to join the strikers. The 1871 Trade Union Act recognised that trade unions were legal bodies and that their officials could be punished by law if they misused the funds in their charge.

The 1875 Employers and Workmen Act allowed

peaceful picketing and changed the old position of the "servant" as against the "master" and made them equal before the law. Thus skilled workers established themselves, but the unskilled were still unorganised and badly treated, and for both skilled and unskilled a bad time came again. A great slump in trade in 1874 reached its climax in 1878-9. Everywhere banks and firms went bankrupt. There were crowds of unemployed. In 1879 employers reduced wages to half of what they were in 1873. The unions themselves were partly responsible for this, because they had agreed on a sliding scale of wages in relation to profits.

Faith and hope in the trade-union world came not from the unions of skilled craftsmen but from leaders who undertook the organisation of the unskilled worker. Another "new" trade unionism developed. The leaders turned to the old ideas of Robert Owen, but they were disciplined and schooled by experience. By 1888 they were combining the General Workers. The famous dockers' strike in 1889 led by John Burns and others gained for them a great deal of sympathy from the public. The men who unloaded ships at the London Docks got only 4*d.* an hour, were never sure of regular periods of work, and after waiting in crowds for hours outside the dock gates had literally to fight to get any job that was going. After lasting many weeks, the strike ended in favour of the dockers, who got their "tanner" for an hour's work and a shift of at least four hours' work. This victory demonstrated to the unskilled workers the advantage of combination.



JOHN BURNS ADDRESSING THE DOCKERS, 1889.

In the new unions the poorly paid workers were asked to pay only a small weekly contribution. They demanded State interference (not *laissez-faire*), a minimum wage (not a sliding scale), State control and even State ownership of mines and railways. The movement of 1889-90 was comparable to that of 1833-4, when all types of workers combined into societies. It marked not only the highest point in the attempt to organise unskilled workers, but also a new high point in the whole trade-union movement. It not only encouraged the formation of unions for unskilled workers, but it gave an impetus to the old aristocratic societies of skilled workers and increased their membership as well.

THE "NEW" UNIONS OF 1890

Thus since 1880 the character of the movement had changed. The "new unionism" of 1890 turned against the unionism of the 1850's. Workers had turned, as we have said, to the old ideas of Robert Owen, but they now had the vote and they felt they could get what they wanted through their influence in Parliament. If they urged that certain large industries should not be in private hands, they no longer advocated that the control of these industries should be in the hands of the workers in each factory. Such control should be by the State. Moreover, they believed in constitutional action, and this policy and method has remained the outstanding feature of the British trade-union movement.

The new spirit in trade unionism also recognised the solidarity of all the workers, skilled and unskilled.

NATIONAL AMALGAMATED UNIONS IN THE TWENTIETH CENTURY

By the beginning of the twentieth century a new movement developed for amalgamating small unions, even if they were national, into larger unions or federations. The idea was to create industrial instead of craft unions. For example, the railway workers were organised into the National Union of Railwaymen in 1913, when everyone working on the railways, irrespective of his grade or work, was combined in one union. The same developed in the case of the miners and the transport workers. Such a comprehensive union was not only able to bargain more effectively, but could demand a voice in the control of what they considered to be a national industry. In fact the movement for joint action was so great that in 1913 the Miners' Federation made a formal alliance with the N.U.R. and the Transport Workers' Federation, and this was known as the "Triple Alliance."

Right throughout the nineteenth century employers insisted upon the "individual bargain" idea in

National Union of Railwaymen	
1947	Head Office : UNITY HOUSE, EUSTON ROAD, LONDON, N.W.1
CONTRIBUTION CARD	
Branch No.	
Member	
Branch	
PLEASE OBSERVE	
A member owing 13 weeks' contributions must pay the whole of his arrears before he becomes entitled to benefit. Should he owe more than 13 weeks' contributions no benefits are payable without instructions from Head Office.	
To be "clear on the books" a member must be clear in all the funds to which he contributes. He cannot be clear in the Provident Funds if he is in arrears with his General Fund contributions.	
It is the personal responsibility of the member to keep his contributions paid to date. The Union is under no obligation to send a collector for contributions.	
The last meetings in March, June, September and December are Quarterly Meetings.—Rule 19, clause 6.	
Members should observe that they are suspended from all benefits if dues and returns to the Head Office are not made as required by Rule 19, clause 11.	
TRANSFER OF MEMBERS	
In order to keep in touch with the work of the Union and avoid arrears, members should immediately notify the Branch Secretary of their removal.	
C.F.A. Table No. E.C. 4-444	

N.U.R. MEMBERSHIP CARD.

negotiation with working men and they were therefore hostile to trade unionism, and this hostility continued into the twentieth century. Consequently we find that right throughout the history of the trade unions their legal position was continually challenged and threatened.

Although the Combination Acts were repealed in 1824, we noted the Parliamentary inquiry in 1869 which threatened to make them illegal again. They won their position, as we have seen, by the two Acts of 1871 and 1876.

LEGAL BATTLES: 1901 AND 1908

In 1901 their position was challenged again in the law courts. Judgment was given that the funds of a certain railwaymen's union could be confiscated because it urged its men to break their contract with a railway company. The union had to pay £23,000 in damages. The workers in alarm turned again to political means to strengthen themselves. They had already decided in 1900 to have their own members in the House of Commons, and in 1906, after the General Election, they formed the Parliamentary Labour Party to put before Parliament the needs and demands of organised labour. In 1907 a Bill was passed which reversed the 1901 decision and protected the funds of trade unions. In fact it gave them exceptional privileges. But within a year their position was once again challenged in the Courts and again they had to fight in Parliament to affirm their position before the law.

In 1908, on a plea of a member of a trade union,

judgment was given that participation of any trade union in political activity was wrong. They could not, that is, spend money in helping to elect a particular M.P. nor support him by a salary. The only activity that was allowed to them was that of collective bargaining ! After a long fight, Parliament in 1913 passed a Trade Union Act which gave power to trade unions to spend money for any purpose so long as its principal objects were those of a trade union. Any member could "contract out" from paying into the union's political fund.

This continual attack, while it ultimately strengthened their position before the law, embittered trade unionists, as they realised how they were opposed by employers and judges. Apart from concentrating on strengthening themselves by political action and the creation of a separate Labour Party in Parliament, and by amalgamating into bigger units and forming federations and alliances, there was a whole series of big strikes in the twentieth century. This in fact brings us to one of our greatest national problems, the disharmony in industry.

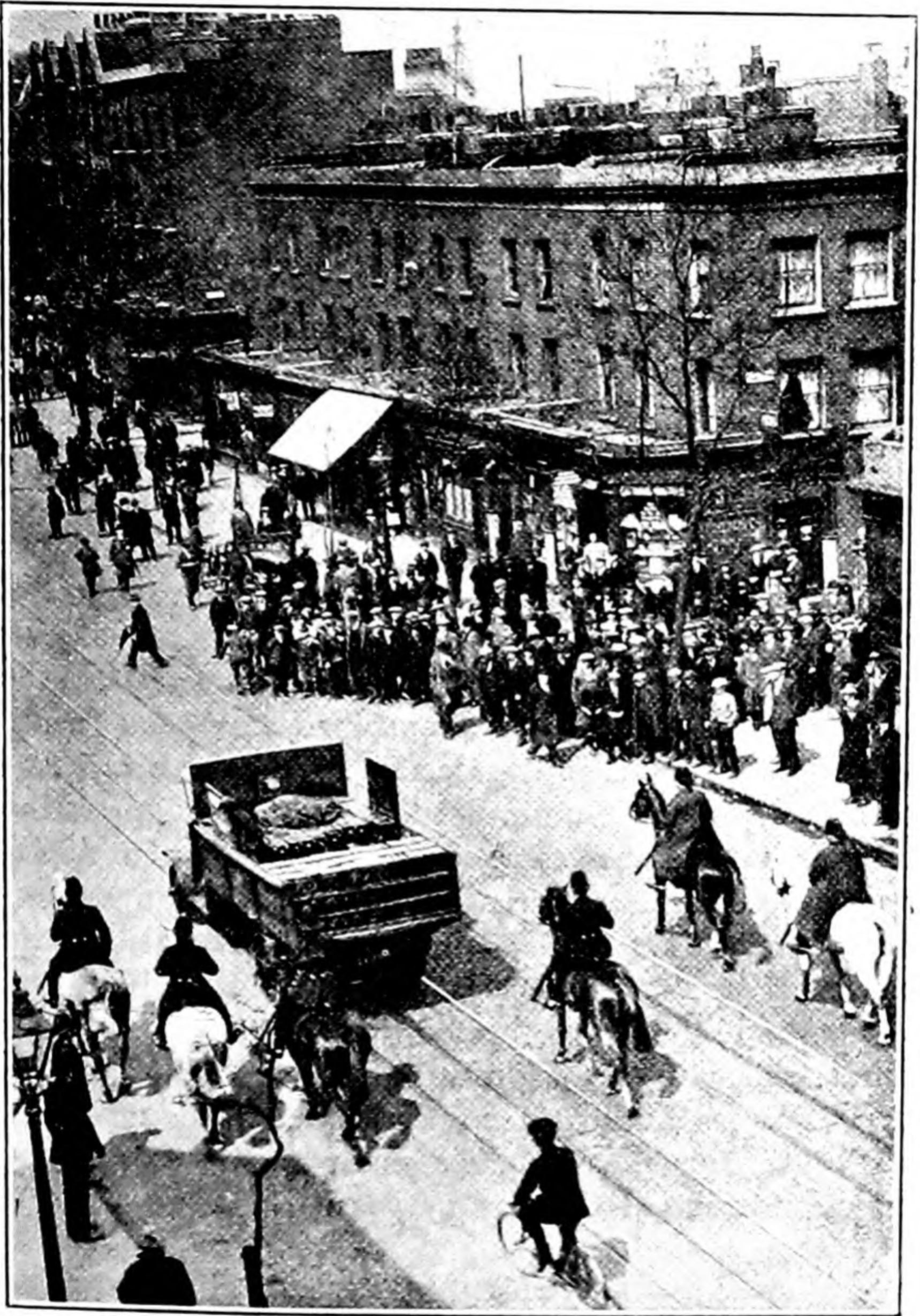
STRIKES

There were big strikes of railwaymen and transport workers in 1911, and a big miners' strike in 1912. There were big strikes of railwaymen and miners after the war in 1919, finally culminating in the general strike of 1926.

The war of 1914-18 helped the trade-union movement. There had already been a tremendous growth in trade-union membership up to 1914, because of the

National Health Insurance Act of 1911, which practically compelled every wage earner to join an "approved society" of some kind. The Corn Production Act of 1917, which regularised the farming industry, had a like effect on the agricultural labourers. The war itself admitted women by the hundred thousand into industry and brought women into trade unionism. There was a general reduction of hours in 1919 and, because of the tremendous rise in prices, a large increase in wages. It was the employers' attempt to reduce what they regarded as swollen wages that resulted in the big railway strike in 1919.

Soon after the war was over and following upon a short artificial boom, world trade suffered one of the greatest slumps in history. War always dislocates trade and this had been a world war. The printing of paper money without reference to gold reserve had doubled and more than doubled prices in the belligerent countries. Colossal international debts and war indemnities that Germany was asked to pay dislocated world trade even more than the upset and uncertainty in the value of money. A premature and unwise return by the English Government to what is known as the Gold Standard in 1926 reduced the amount of paper money by relating it to the amount of gold in the banks. This reduced the amount of money in circulation and in turn caused a sharp fall in prices and a further slump in trade. The English coal industry was particularly hard hit. Exports fell. The miners, through their leaders, argued that the coal industry was badly organised by the owners. They demanded either nationalisation of the industry



A SCENE DURING THE GENERAL STRIKE, 1926.

or a reduction in hours in order to spread out work. This was refused. More than that, the mineowners insisted upon increasing their hours in the mines and they were forced to go on strike. It should be mentioned that a Royal Commission presided over by a judge had already in 1920 reported in favour of nationalisation of the mines.

The miners' union was a powerful union and now it called in the other two members of the Triple Alliance, the railwaymen and the transport workers. There developed the general strike of 1926, which stopped the industrial life of the country and threatened its general life, as other groups of men joined the strikers. But the Trade Union Congress leaders, who had called the strike, were not prepared for extreme action. Moreover, they found that the Government was prepared and had its plans ready. When an eminent judge declared a general strike to be illegal, the trade-union leaders gave in. The strike brought out what is characteristic of the British trade-union movement, its refusal to use violent and revolutionary methods. Parliament, however, punished the trade unions by an Act in 1927 which forbade the sympathetic strike and limited their power of collecting funds and powers of picketing. This limitation of their powers caused deep resentment among many trade unionists, and Parliament with a Labour majority repealed the Act in 1946.

THE PUBLIC AND STRIKES

What is of great interest since 1919 is the part played by the public in strikes. Both sides now



THE ORIGINAL SHOP OF THE ROCHDALE PIONEERS WHO STARTED THE CO-OPERATIVE MOVEMENT, 1844.

appeal to it for sympathy to the extent of inserting explanation of their case in the newspapers. The Government, in appointing boards to settle strikes, now appoint representatives of the public as well as representative employers and trade-union leaders. More than ever the Government steps in to settle strikes which nowadays can cause such tremendous national loss.

Despite the setback of 1927, which reduced trade-union membership from six million to four million, trade unions to-day play a significant part in the life of the country. Trade unionism itself is tacitly accepted as part of the administrative machinery of the State. The unions have large funds. They influence Parliament. They are represented on public

corporations and on public commissions. Their deliberations in a national body are fully reported in the newspapers both at home and abroad.

THE CO-OPERATIVE MOVEMENT

Parallel with the trade-union movement is the co-operative movement. Co-operation enables the people who buy and use goods to own and manage the shops where they make their purchases. The idea was promoted by Robert Owen, and the first co-operative society was started in 1844 by the Rochdale Pioneers. Twenty-eight men started a business with a capital of £1 each. To-day there are co-operative societies in every part of Britain, and the C.W.S., the Co-operative Wholesale Society, is the greatest single business organisation in the British Isles and one of the greatest in the world, owning hundreds of millions of pounds in capital. Its wealth and organisation are a powerful asset to the trade-union movement.

THE TRADE UNIONS IN PARLIAMENT

The political counterpart of the trade-union movement, the Labour Party, has actually taken office and formed a Government in 1924, 1929 and 1945. Their leaders are now regarded as responsible statesmen. Politically, as a result of the two world wars, their position is stronger than ever. Indeed the crises of the great wars of 1914 and 1939 have shown the innate patriotism of the trade unions and has gained for them sympathy and understanding from the public outside the unions. Their power has never been so high as to-day. They can indeed claim that their

struggles since 1813 have helped towards the greater happiness of the working classes.

Of course they have their critics. It is complained that in their bargains with employers they take too narrow a view. In fact, the agreed point of view of the employers and the trade-union leaders may not necessarily be for the best interests of the general public, which of course includes other wage earners. Secondly, the path to trade-union leadership is so hard and long, that when a man finds himself in that position he is rather inclined to follow the old defined lines of making decisions. Consequently younger rank-and-file trade unionists complain of uninspired leadership.

But whatever criticism may be levelled to-day, there is no doubt that the trade unions in the past have fought hard and well for the improvement of the masses of the people.



CHAPTER XI

PARLIAMENTARY REFORM

IN the last chapter we saw how wage earners acquired great power through their trade unions; but we noted that this went hand in hand with a growing strength in Parliament. In this chapter and the next we must see how they obtained a voice in the government of the country and secured legislation which not only safeguarded their working conditions, but also established for their benefit the great social services of to-day.

At the beginning of the nineteenth century Parliament was already the supreme ruler of the nation. The long-drawn-out struggle against the power of the Crown of an earlier period was over. But Parliament did not represent the vast mass of the people. The new industrial towns, despite their large population, had no representation at all, while sleepy old towns whose population had fallen to very small numbers returned one or even two members to the House of Commons. Moreover, the right to vote in these old towns was sometimes in the hands of some half-dozen

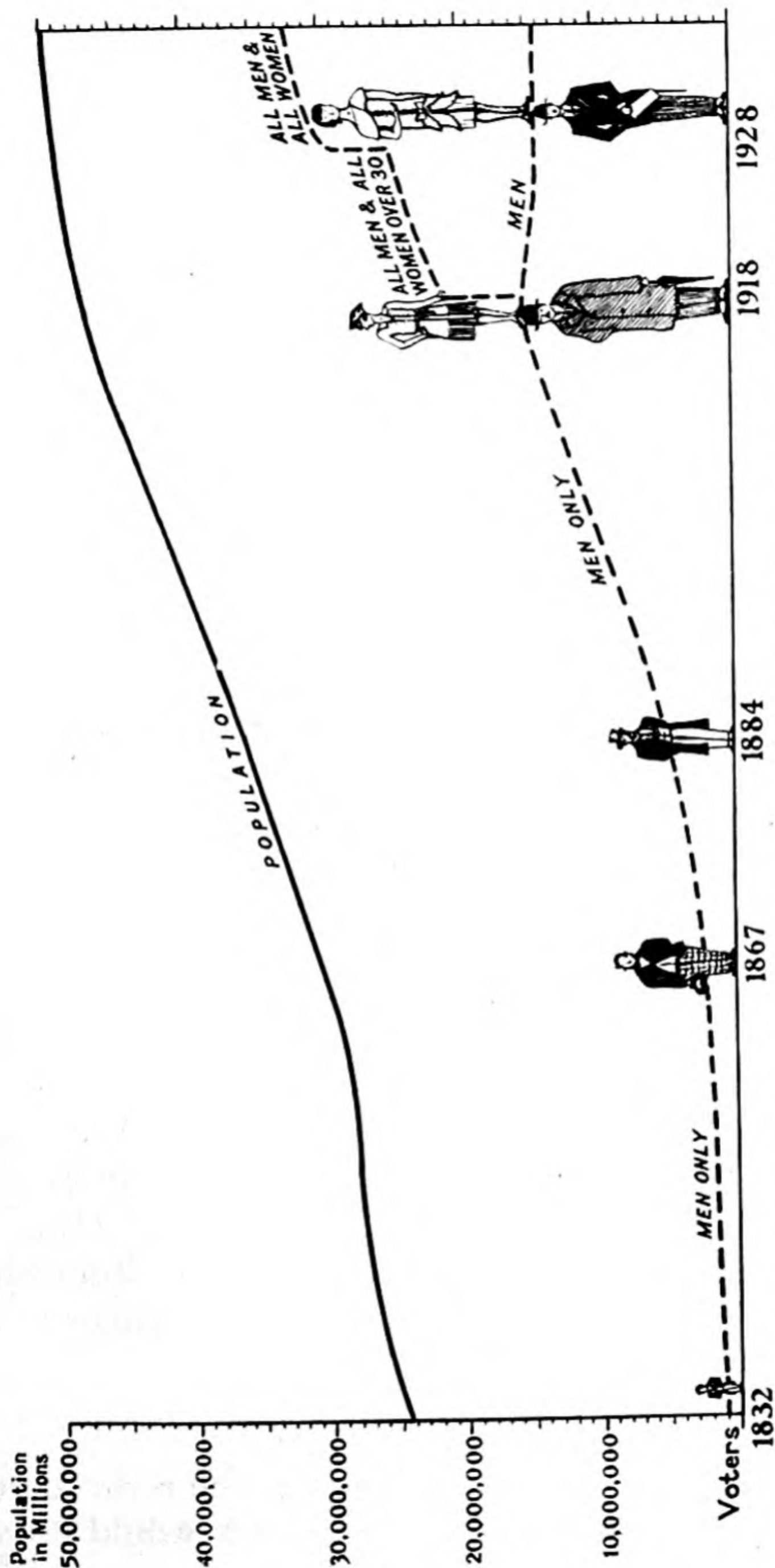


DIAGRAM TO SHOW THE EXTENDED ELECTORATE, AFTER EACH OF THE REFORM ACTS, IN RELATION TO THE INCREASED POPULATION OF GREAT BRITAIN AND IRELAND.

privileged people. These old towns, "rotten boroughs" as they were called, were under the control of rich peers and large landowners whose nominees were returned to Parliament, and voting was not secret in those days.

There was a tremendous agitation for the reform of Parliament. The opposition of those in power, who saw ruin for the country if the vote was extended, was met by the violence of those who saw salvation if they obtained the right to vote. The reformers won.

THE 1832 REFORM ACT

After tremendous excitement and much violence, the First (or Great) Reform Act was passed in 1832. Working men, as we saw in the chapter on the trade unions, were still left without the vote, and agitation was continued by men who called themselves Chartists.

OTHER REFORM ACTS

During the nineteenth century two other Reform Acts were passed which extended the vote first to the artisans in towns (1867) and then to agricultural labourers in the rural areas (1888). In 1872 the Ballot Act made voting secret. Reform of Parliament continued in the twentieth century, so that by Acts in 1911, 1918, and 1928 the power of the House of Commons was extended, that of the Lords diminished, and the vote given to every man and woman in the country over the age of twenty-one.

SOCIAL LEGISLATION

The extension of the franchise, i.e. the right to vote, was valued because those who voted would have a

voice in the making of the laws of their country. They sought to control and guide the vast industrial and social changes by legislation. Because more and more classes obtained the vote, the nineteenth century is the story of the placing on the Statute Book of the country of a series of laws which not only regulated conditions of industry but improved the homes, lives, and well-being of the whole nation.

As one evil was remedied, so a new problem was revealed. Thus one of the firstfruits of the 1832 Reform Act was the 1833 Factory Act, which stopped child labour. But while children of tender years had been made to work, the problem of their schooling did not arise; now the need for schooling became important. Consequently in the same year the Government decided to give a grant of money to the charitable societies which founded the first elementary schools; and in 1839 an Education Department of the Government was set up to supervise their work. From this small beginning developed our present State system of education.

The 1833 Factory Act was followed by a whole series of Acts which regulated not only the work of children but that of women and men in all types of industry. Not only were the conditions of industry regulated, but laws were passed which safeguarded health, helped those out of work, provided better houses and better transport, and educated the nation's children. The social services of the country were created in this way.

To help the central Government with the day-to-day regulation of the social and industrial life of the

PARLIAMENTARY REFORM

CREATION OF LOCAL AUTHORITIES

SERVICES including

PARLIAMENT			
REFORM ACTS		LEGISLATION	
1832	THE GREAT REFORM ACT	1833	Factory Act.
		1834	Poor Law Act.
		1835	Municipal Corporations Act.
		1842	Mines Act.
		1848	Public Health Act.
1867	REFORM ACT	1870	Education Act.
		1875	Public Health (Housing, etc.) Act.
1884	REFORM ACT	1888	County Councils Act.
		1894	(New Public Health Authorities.)
		1902	Education Act.
		1908	Legislation to increase employment. Old Age Pensions. (Increased power of House of Commons v. House of Lords.)
1911	PARLIAMENT ACT	1911	Legislation to help maintain health insurance. (Votes for women over 30 years of age.)
1918	REPRESENTATION OF PEOPLE ACT	1918	Legislation to help unemployed, Unemployment Insurance.
		1919	Creation of Ministry of Health. (Votes for all adults over 21.)
1928	REFORM ACT	1928	Responsibility for Unemployed to a national body and to larger local authorities.
		1942	(Beveridge Report.)
		1944	Government White Papers on Full Employment, National Health Service and full Social Insurance. New Education Act. Creation of Ministry of National Insurance. Board of Education becomes Ministry of Education.

and SOCIAL LEGISLATION

and OTHER AGENTS for SOCIAL NEW MINISTRIES

AGENTS FOR SOCIAL SERVICES

LOCAL GOVERNMENT AUTHORITIES		CENTRAL AUTHORITY AGENCIES
1834 1835	Boards of Guardians created. Self-governing Boroughs.	
1870	School Boards created.	
1888 1894	County Councils created. Urban and Rural District Coun- cils created.	
1902	School boards abolished— Schools controlled by local councils.	
1908		Labour Exchanges formed.
1911		Panel Doctors and Approved Societies.
1918		Employment Exchanges.
1928	Boards of Guardians abolished. Public Assistance Committees of County and County Borough Councils. Poor Law Hospitals became Municipal Hospitals.	Unemployment Assistance Board created.
1944	(Reorganisation of powers of Local Authorities.)	Employment Exchange ; Health Centres and Municipal Hos- pitals working for Regional Boards. Post Offices.

people, new forms of government for town and country districts were developed. You have heard of County, Borough, and District Councils. This local government in its various forms, through its own councillors, officers, and inspectors, took over more and more the daily supervision of the laws which Parliament passed and which it asked the Ministers of the Crown to carry out.

The social history of England in the nineteenth century moves in this order. Each reform of Parliament is followed by new laws to improve the condition of the people. This social legislation demands further development of local government. New local authorities are created. They become the agents by which conditions of industry and the social well-being of the people are safeguarded. Not only are many more tasks given them, but many more authorities are created. And their government is made democratic and representative, every ratepayer having the right to vote, and every citizen the right to criticise.

OUR SOCIAL SERVICES AND THE DEVELOPMENT OF LOCAL GOVERNMENT

To understand the working of our social services we must understand the work of the local authorities—the County, County Borough, Urban, District, Rural, and Parish Councils. These are either entirely new creations of the nineteenth century, or are old historical areas but with new ways of government created for them. The old parish area used by the Tudors to administer their poor-law and the old county area where the J.P.s had reigned supreme, as well as the

old boroughs, were fitted into this scheme of local government, which will be explained in more detail later.

At first committees or boards were elected for every new task or problem. Thus boards of guardians, burial boards, and school boards were appointed. But the special boards tended to disappear and their work was handed over to the local authorities.

In addition to new local authorities there was created an army of inspectors, officials, and clerks to deal with the day-to-day working of the laws and regulations.

How did the central Government control this vast new army? Control was obtained through Government inspectors, and above all by the "power of the purse." Grants of money, generally as much as 50 per cent. of the expenditure of most of their major services, was given to the local authorities if their work was satisfactory, and withheld if not.



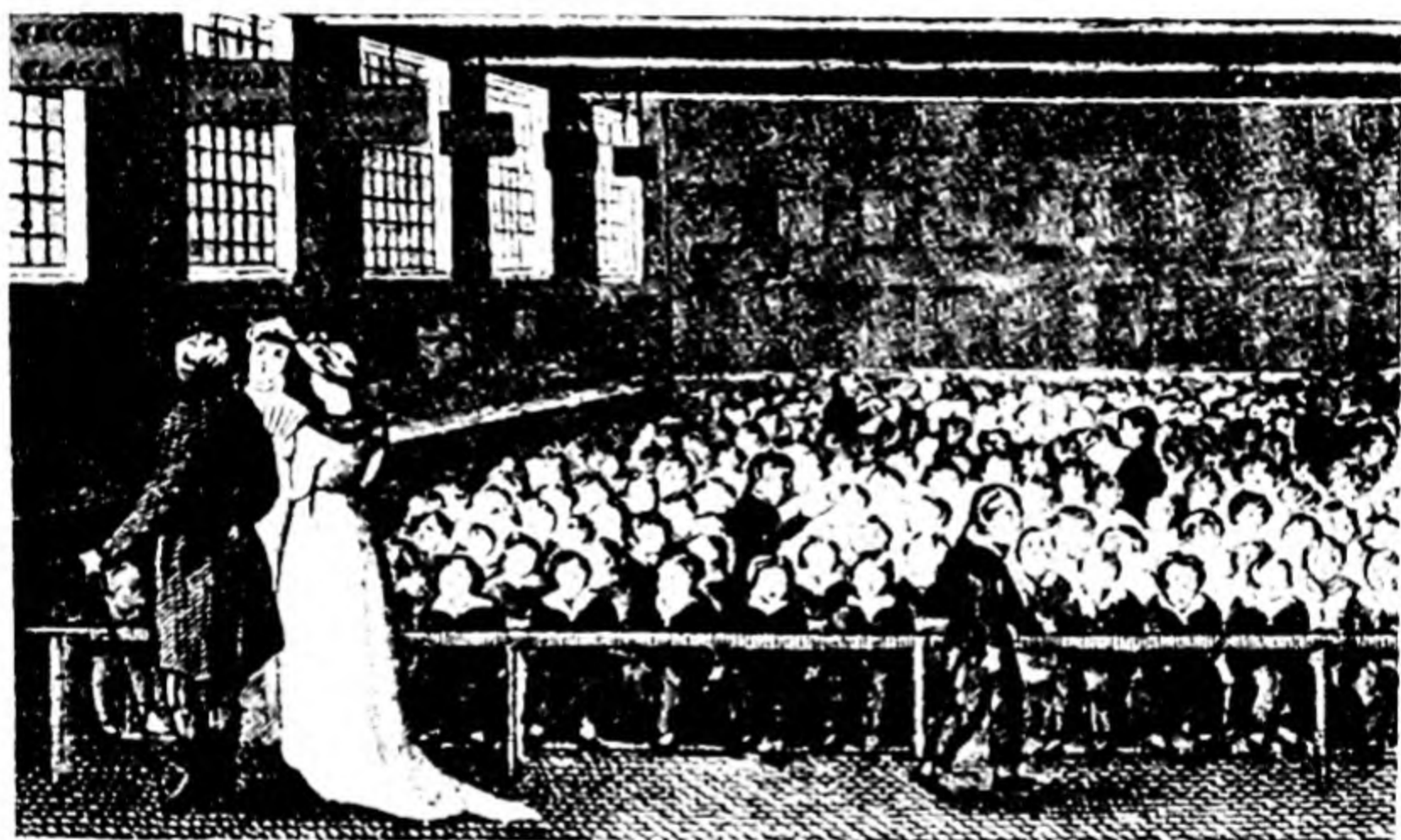
CHAPTER XII

THE STORY OF LOCAL GOVERNMENT

THE reform of Parliament in 1832 was followed immediately by most important changes in local government. Till then there were no county, county borough, borough and urban and district councils as we know them to-day, elected by everyone who paid rates, spending millions of pounds on social services and affecting the daily life of almost every man, woman, and child. Although England had a long tradition of self-government in local affairs, the organisation of local government was based on the needs of a past age. It had become unrepresentative and inadequate. Social services hardly existed. Public health needs were not considered at all. It is true that as early as 1541 a commission of sewers had been set up, but the sewers they had in mind were for the purpose of draining marshland or fenland. No provision was made for the disposal of ordinary household sewage. Cesspools and streams were used,

fouling the air and contaminating the drinking water.

The maintenance of roads was one of the feudal duties of a manor, but this was not kept up and Queen Elizabeth in 1555 tried to revive these duties. Actually till the early nineteenth century, nobody bothered very much about maintaining a highway for vehicular traffic, and then it was left to private enterprise to make some success of road building and maintenance. The turnpike companies were formed for this purpose.



A BIRMINGHAM SCHOOL OF THE 1840's.

Note the older boys, called monitors, walking between the rows of pupils.

Popular education did not exist. Most children did not go to school, or if they did had to pay for their schooling and formed part of very large classes in the charge of older children called monitors. The schools were built by charitable societies under the control of various religious bodies.

The poor were dealt with under the Elizabethan law, which had broken down badly during the period of the Napoleonic Wars.

You could mention almost any other modern service and find that it was non-existent or inadequately dealt with.

In the counties, the J.P.s ruled as representatives of the Crown and administered justice as well as the labour and poor-laws of Queen Elizabeth.

THE BEGINNING OF MODERN LOCAL GOVERNMENT THE TUDOR POOR-LAWS

It was the parish area and the parish administration of the 1601 poor-law that give us the beginnings of modern local government. Originally the parish corresponded to the Saxon township and became later a unit for Church administration by the priest—that is, it became his parish. When in feudal times the civil and legal government came under the lord of the manor, the Church administration of the priest remained and it still remained when the manorial system broke up. Consequently when the Tudors decided to levy a rate and appoint overseers for each locality to deal with the poor, they chose the parish as a unit of government. And it was the Justices of the Peace who were the Sovereign's representatives in the counties who supervised the work of the overseers of the poor in behalf of the central Government. There remain to be mentioned the chartered towns or boroughs, which for centuries had been governed by their freemen. But the rights of these ancient boroughs had fallen into the hands of a few families

and their corporations had become unrepresentative and corrupt.

The first great change in local government was made in 1835. The Municipal Government Act of 1835 ordered that town councils were to be elected by all ratepayers and gave them the power to levy rates to carry on the government of their town. The Act, however, only applied to large towns. The rural districts were still left under the control of the J.P.s.

THE POOR-LAW ACT OF 1834

The Reform Parliament of 1833 also dealt with the scandal of the poor-law administration following upon the "Speenhamland Act." The Poor-law Act of 1834 was the first great Act dealing with the treatment of the poor since 1601. It created a new authority, the Board of Guardians, to govern a group of parishes called a Union. The members of this Board were to be elected by the ratepayers and it had to administer through *paid* overseers and other officials and had to conform to the detailed regulations laid down by the Government in Whitehall. The Boards administered the new poor-law very harshly, but the principle of representation and control was affirmed and corruption was abolished.

THE PUBLIC HEALTH ACT, 1848

The next Reform Bill which enfranchised the town artisans was not till 1867, but the Chartist agitation made Parliament anxious to pass legislation dealing with bad conditions in factories and mines, and the cholera outbreak of 1847 forced Parliament to pass

the Public Health Act of 1848, which set up a Public Health Board and local boards to act for it. Very many of the Acts of Parliament in later years and much of the work given to local authorities and the creation of new authorities arose from the appalling conditions of water supply and sewage arrangements all over the country. This, with overcrowding, created the cholera and other epidemics of the first half of the nineteenth century.

SCHOOL BOARDS, 1870

The 1867 Reform Bill was followed by the 1870 Education Act, which created school boards in each area, for it was said that it was now necessary to "educate our masters." These school boards had to build schools in those districts where there were insufficient of the older voluntary schools. Parliament was concerned only with elementary education at this time, which till then had been provided by charitable and religious bodies and for which fees had been charged. Actually attendance at school was not made compulsory till 1880 and school fees were not abolished till 1891.

THE PUBLIC HEALTH ACT, 1875

Further Public Health Acts were passed. An Act of 1875 brought together all previous legislation on health and gave the Government the power to force a negligent local authority to do its duty.

COUNTY COUNCILS, 1888

The 1884 Reform Act, giving the parliamentary vote to the agricultural labourer, made it necessary to

extend also his right to a voice in the government of rural areas. In 1888 county councils were created. Practically all the administrative powers of the J.P.s were taken from them and given to the newly elected councils. All the J.P.s were left with were their judicial rights, excepting that the powers of licensing public-houses were still left to them and also the joint control, with the county or borough councils, of the police. Large boroughs were exempted from the control of the county councils and were created county boroughs with practically the same powers as the county councils.

Thus English local government became representative and elective in the country as well as in the towns.

In 1894, largely to administer the provisions of the Public Health Acts, urban and rural district councils were created.

IMPROVING LOCAL GOVERNMENT

The problem of local government in administering the social services is to keep up with the changes caused by modern transport and technical advancement and also with the changes in public opinion. In part both of these were responsible for a tendency to give greater powers to the larger units, i.e. the county councils and county borough councils. It was found that there was a good deal of overlap in the social services, through the existence of the special boards created earlier in the century to administer particular services. Education suffered from lack of provision of a planned higher education, and the poor-law from

LOCAL GOVERNMENT AUTHORITIES

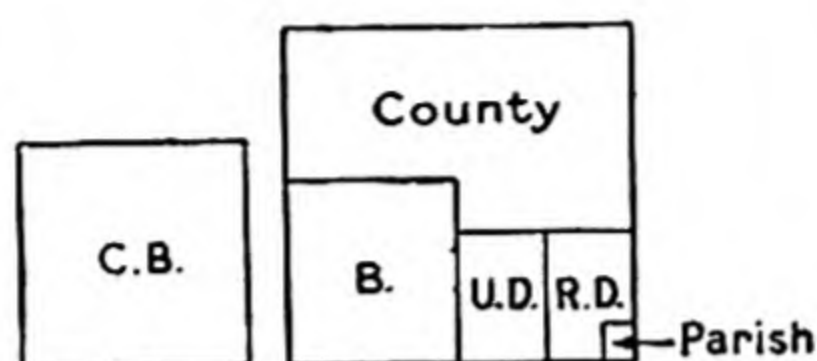


CHART of Local Government Authorities according to their importance and dependence.

COUNTIES

England and Wales,
London and 61
Administrative
Centres.

Scotland, 33.

COUNTY BOROUGH

England and Wales,
83.

Scotland, 4.

BOROUGH

England and Wales,
309.

Scotland (Burghs),
194.

URBAN DISTRICTS

England and Wales,
572.

RURAL DISTRICTS

England and Wales,
475.

PARISHES

perhaps 6 to 36 in
each R.D., de-
pending upon
population.

(Note.—A parish must
have a population of
at least 300.)

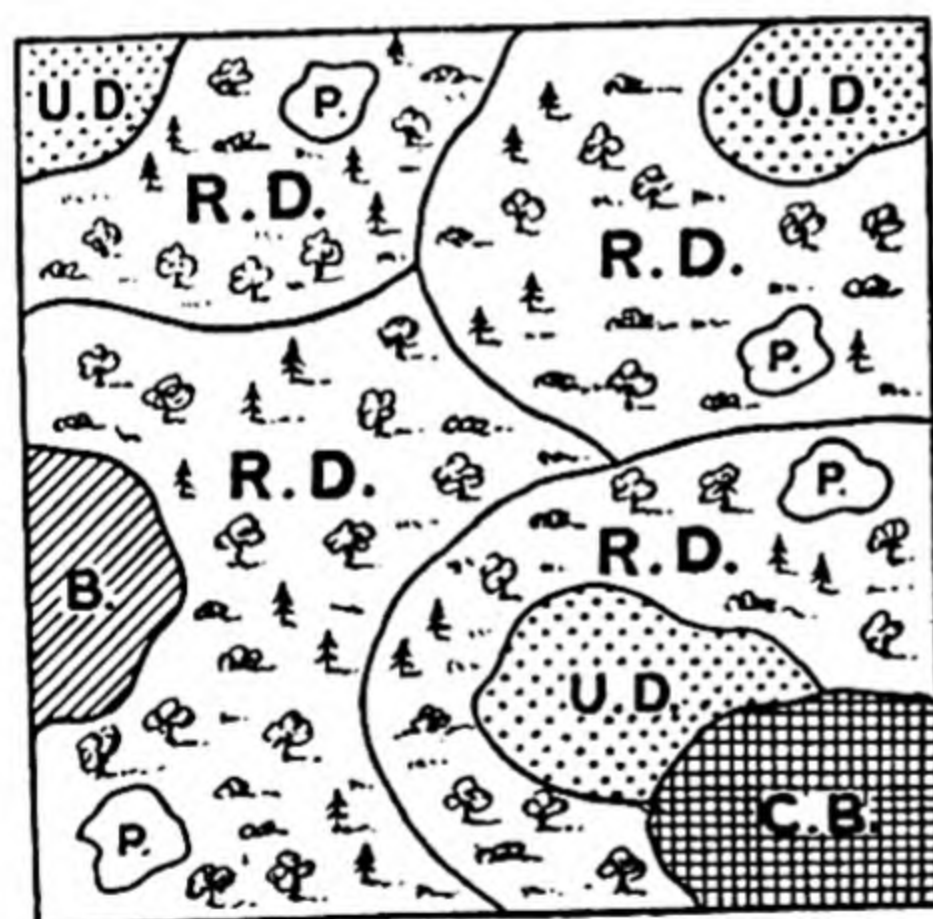


CHART of Local Government Authorities arranged geographically within a corner of a county.

C.B. = County Borough (Independent of County).

B. = Borough.

U.D. = Urban District.

R.D. = Rural District.

P. = Parish.

THE STRUCTURE OF LOCAL GOVERNMENT

NUMBER OF LOCAL AUTHORITIES IN ENGLAND AND WALES

THERE ARE 52 GEOGRAPHICAL COUNTIES:
WITHIN THOSE THERE ARE

COUNTY COUNCILS
(EXCLUDING THE L.C.C.) **61**

COUNTY BOROUGH
COUNCILS **83**

URBAN DISTRICT
COUNCILS **572**

MUNICIPAL BOROUGH
COUNCILS **309**

RURAL DISTRICT
COUNCILS **475**

PARISH COUNCILS
(APPROX) **7,000**

A TYPICAL COUNTY

*West Riding
of
Yorkshire*



KEY

- COUNTY BOROUGH
- MUNICIPAL BORO'S
- URBAN DISTRICTS
- RURAL DISTRICTS

the taint of punishment which was associated with it especially since 1834.

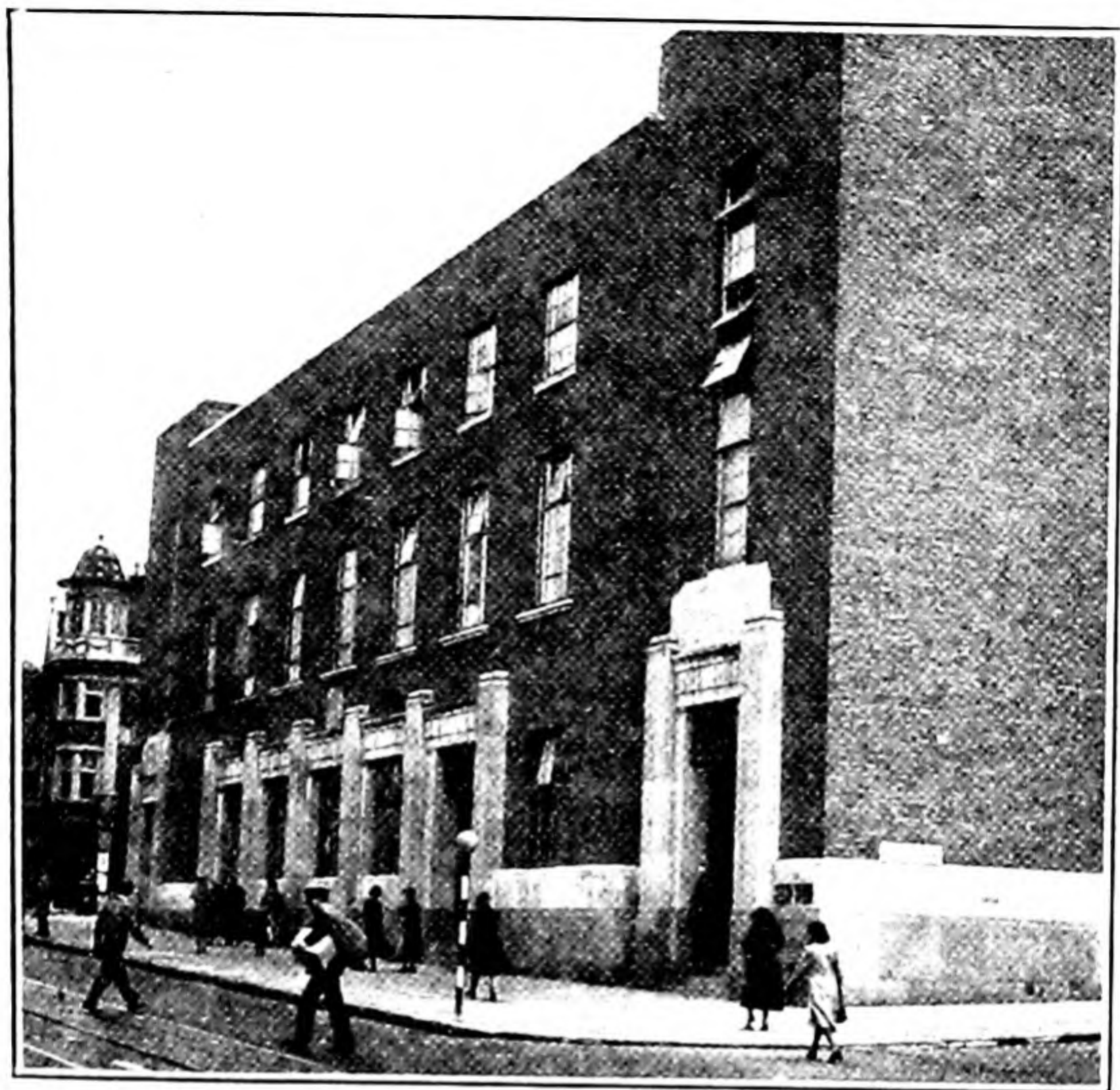
In 1902 the school boards were abolished and their power given to various local authorities. The administration of higher education, however, was given only to the counties and county boroughs. County secondary as well as technical schools were now to be built over the country to supplement the old grammar schools, which depended upon private endowment.

In 1929 an Act was passed which abolished the boards of guardians. County and county borough councils took over their work, working through Public Assistance Committees. Poor-law relief was now called "public assistance." Similarly the Poor-law hospitals—the infirmaries—were taken over by the Public Health Committees of the County Councils, and Poor-law children were taken over by the Education Committees.

SOCIAL SERVICES ADMINISTERED DIRECTLY BY THE NATION

The great amount of unemployment after the Great War of 1914–18 aroused strong public feeling. The 1918 and 1928 Acts, which extended the number of parliamentary voters, made this opinion felt. Working-class opinion had hated the poor-law system since 1834, and the movement against it had become organised and determined since 1900.

The creation of Labour Exchanges in 1909 and then the schemes of Health Insurance in 1911 and Unemployment Insurance in 1911 and 1920 were all the reflection of public opinion about the greatest curse of our modern industrial society, namely, large-



THE OUTSIDE OF A MODERN EMPLOYMENT EXCHANGE.

scale unemployment. More and more the tendency was to remove responsibility for unemployment from localities and transfer it to large areas, and finally to the nation as a whole, when it was recognised as a national and not a local responsibility. So we move in the administration of public assistance from the parish, the unit of poor-law relief of the Tudors, to the union of parishes created by the 1834 Act, to the counties and county boroughs created by the 1929 Act, to finally the Unemployment Assistance Board,

which is a national body and administers through Government officials in each district assisted by representatives appointed by the county councils and the county borough councils.

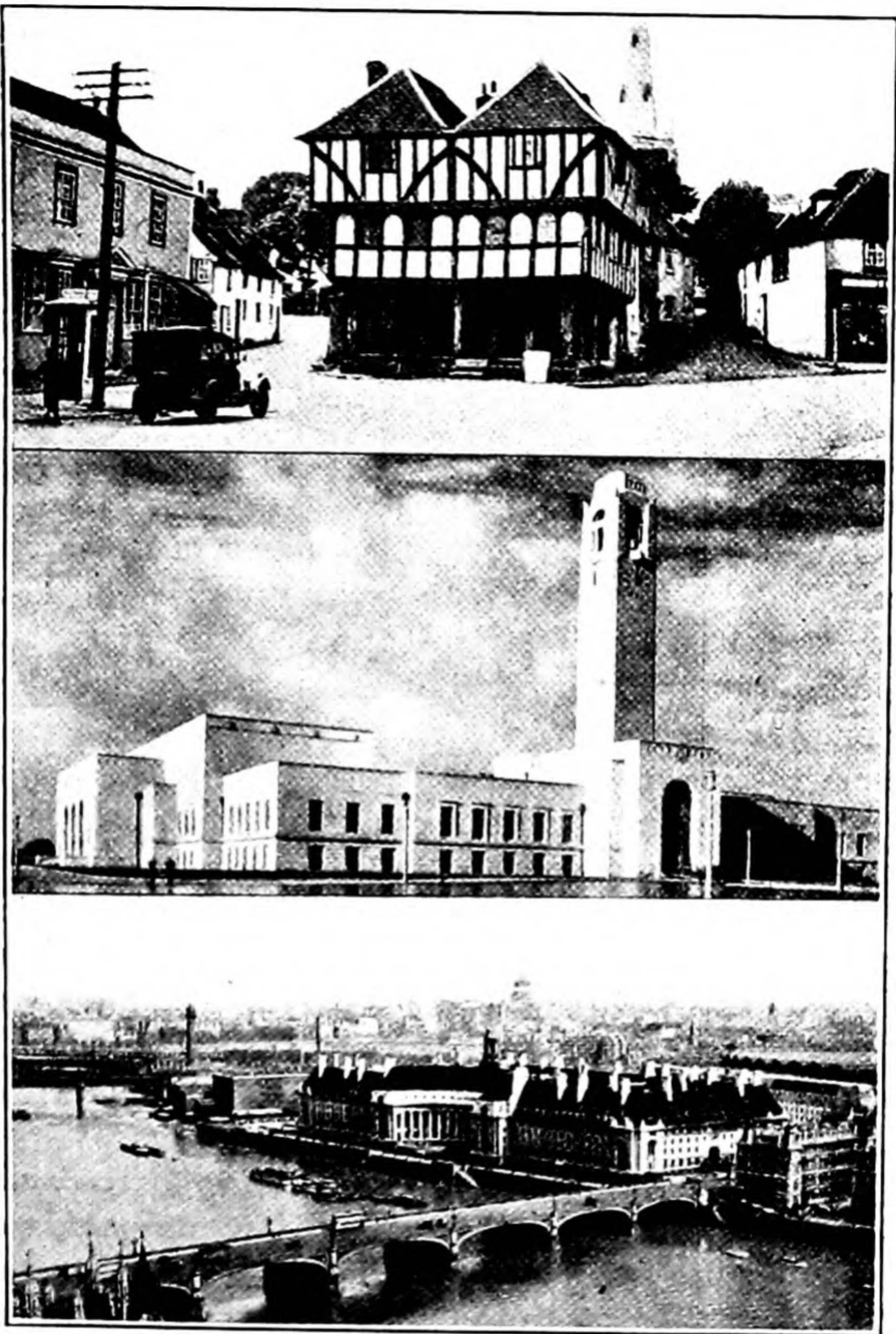
REGIONALISM

To-day there is a growing opinion that for many public services even the largest local government unit that we have, the county, is too small and wasteful. It is certain that for all major social services, the smaller units are now out of date. This is not surprising when we remember that the fundamental structure of local government has remained unchanged for over fifty years, and that the needs of new social services, which changing conditions demanded, have been met by merely imposing new duties on existing local authorities.

Consequently we may expect that in order to administer our social services, especially new and very important ones like the planning and rebuilding of big cities, the present areas of local government services will be extended and the duties of local authorities reorganised. Otherwise reconstruction will be hampered. We may expect that many of the present powers of the smaller authorities, for example the control of elementary education, will be removed and given to larger units.

But there is not yet general agreement on quite how this reform of local government is to be carried out, although the guiding principles are becoming clear.

Modern life based on scientific means of transport and communication demands large units for efficiency



CIVIC CENTRES.

Top : The old Guildhall, Thaxted, Essex.
Centre : Swansea Civic Centre.
Bottom : County Hall, London.

and even outlook. The Metropolitan Police and the Metropolitan Water Board already serve areas that are greater than the London County area. During the second world war, under the stress of bombing, the various local fire brigades in the country had to be amalgamated into the National Fire Service.

Local outlook, on the other hand, is often narrow. Too much concern is had for parsimony, not for true economy. Even where the outlook is wider, a small authority frequently has not the money to expand its services.

Again, national life demands a union of urban and rural interests. But the present divisions of local government tend to keep town and country apart, and the separation makes rural areas, since they have less money to spend, more backward than urban areas in the working of their social services. Larger units including within them urban and rural districts would level up their finances.

Yet as the unit of government grows bigger the less people feel they can play a part in its administration. That is a great loss, for local government has often been a great training-ground for civic responsibility. For that reason alone the small units have a claim to importance.

The problem for reformers, then, is to reconcile efficiency with the maintenance of civic interests, and to harmonise urban and rural interests.

Demands for reform of local government in recent years have become more insistent and are perhaps more familiar to-day in proposals for what is called "regionalism." By this is meant the reform of local



THE N.F.S. IN ACTION.

Note: Fire Brigades are once more under the control of local authorities.

government authorities or functions, taking into account areas which are economical and efficient for the administration of the social services.

These proposals for reform have received a new impetus as a result of war conditions. Just as the stress of war brought about the National Fire Service and the amalgamation of police authorities, so the Government found it necessary to divide the country into twelve regions, each under a Regional Commissioner, and each advised by regional officers appointed by the Ministries at Whitehall. Their task was to deal with essential services in case the circumstances of war brought about a breakdown of

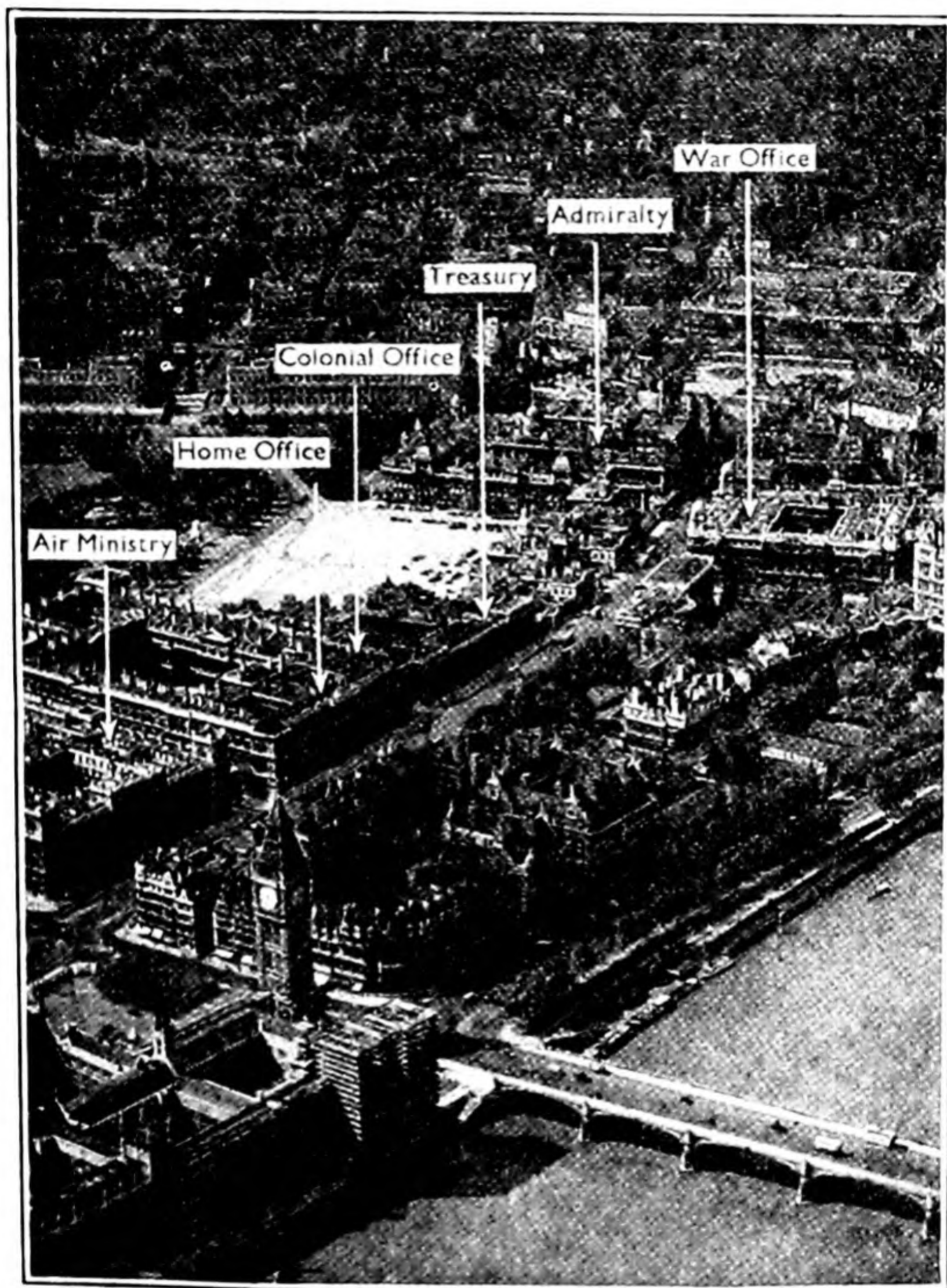
communications. This action by the Government was a practical recognition that the organisation of local government, as it was, was insufficient to cope with a new situation. The Government's action received general approval. But the division of the country into regions under the control of Regional Commissioners is not local government as we, in England, understand it. This war-time measure was merely the central authority projecting itself into the localities and delegating its own powers to Commissioners. Local people had no control.

But in this action of the Government the need for larger units of local government was implied and accepted. Now, many people wish to continue this war-time measure, but under popular and local control. Different proposals, however, are put forward.

Some would have the war-time officers of the central authority remain permanently to advise a Regional Joint Council representing all present local authorities in a given region. This council would act through a Regional Committee or Commission.

Some would abolish present local authorities altogether and would divide the country into larger units approximating to the present counties, but with more power and having under them area authorities to whom they would delegate their powers.

Another proposal comes from the present municipal authorities. They too recognise the need for reform, but would prefer a single all-purposes authority (very much like the present county borough) having under its control an urban area and the immediate rural district around it. This authority would not neces-



AERIAL VIEW OF WHITEHALL.

Note the buildings housing the offices of the various Ministries. The headquarters of the Air Ministry are in Kingsway.

sarily be the present county. They seem to have in mind more the present county borough, but controlling a larger area and including what are now rural districts.

All are agreed that the present division between town and country interests is wrong and causes disharmony and conflict. All are agreed that the present small units are uneconomical. All are agreed, however, that local government must be directly under democratic local control, with guidance and ultimate control only from Whitehall.

Whichever way regionalism is interpreted, whether through joint councils of present authorities or through new authorities, it is certain that reform in local government is coming along the lines that have been indicated, taking into account the need for efficiency in our social services, their democratic control, and the need for unifying urban and rural interests.

The demand for regionalism in local government is largely the result of changes caused by modern transport and technical advancement.

The second World War and public opinion are responsible for yet another development in our social services. These are the changes that were forecast in the famous Beveridge Report on the social services, published in December 1942. This was a further attempt to eliminate overlap in our social services while at the same time extending their benefits to include all classes of the community. Reference to this Report will be made in the next chapter.



CHAPTER XIII

A SURVEY OF THE SOCIAL SERVICES

LET us now survey the main social services. They deal with Public Assistance, Public Health, Education, Transport, Police, and Factory Inspection.

PUBLIC ASSISTANCE

Public Assistance is given to those who, because of ill-health, infirmity, or old age, cannot work—the impotent poor as they are called. The able-bodied are assisted by the Unemployment Insurance Service of the National Insurance Scheme and the Unemployment Assistance Board, both administered directly by the Government and working through the Employment Exchanges. Similarly pensions are administered by Government departments working through the Post Offices. Local government bodies deal with the impotent poor through Public Assistance Committees, while the feeding of school-children is dealt with by their Education Committees. It should be mentioned here that governments in the past have tried to increase

employment by various schemes of public works, by encouraging emigration, and by schemes to encourage urban people to return to the land. But these schemes so far have not been very successful.

PUBLIC HEALTH

The Public Health Service deals with the care of the physical conditions of life of the citizen. There is hardly an aspect of his life which is not covered by some organisation or other. Indeed, it has been said that a person nowadays comes under some authority even before he is born, and then from the cradle to the grave someone or other is waiting to help him. The Public Health Service began with the attempt to supply good drinking-water and to prevent disease by removing refuse and sewage. It went on with more positive forms of health services, the inspection of food, the provision of good dwellings, and proceeded to the care of expectant mothers and child welfare and then with the medical inspection of school-children. To-day it provides not only fever hospitals where people may be isolated, but sanatoria for those suffering from consumption, and hospitals not only for the poor but for the general public. After 1911 working men and women were provided with medical attention through the Health Insurance Scheme, which placed them under a "panel" doctor. Those who got hurt in the course of their work were covered by the Workmen's Compensation Scheme. But the trouble with the Public Health Service had always been the number of local authorities and other organisations who dealt with it.



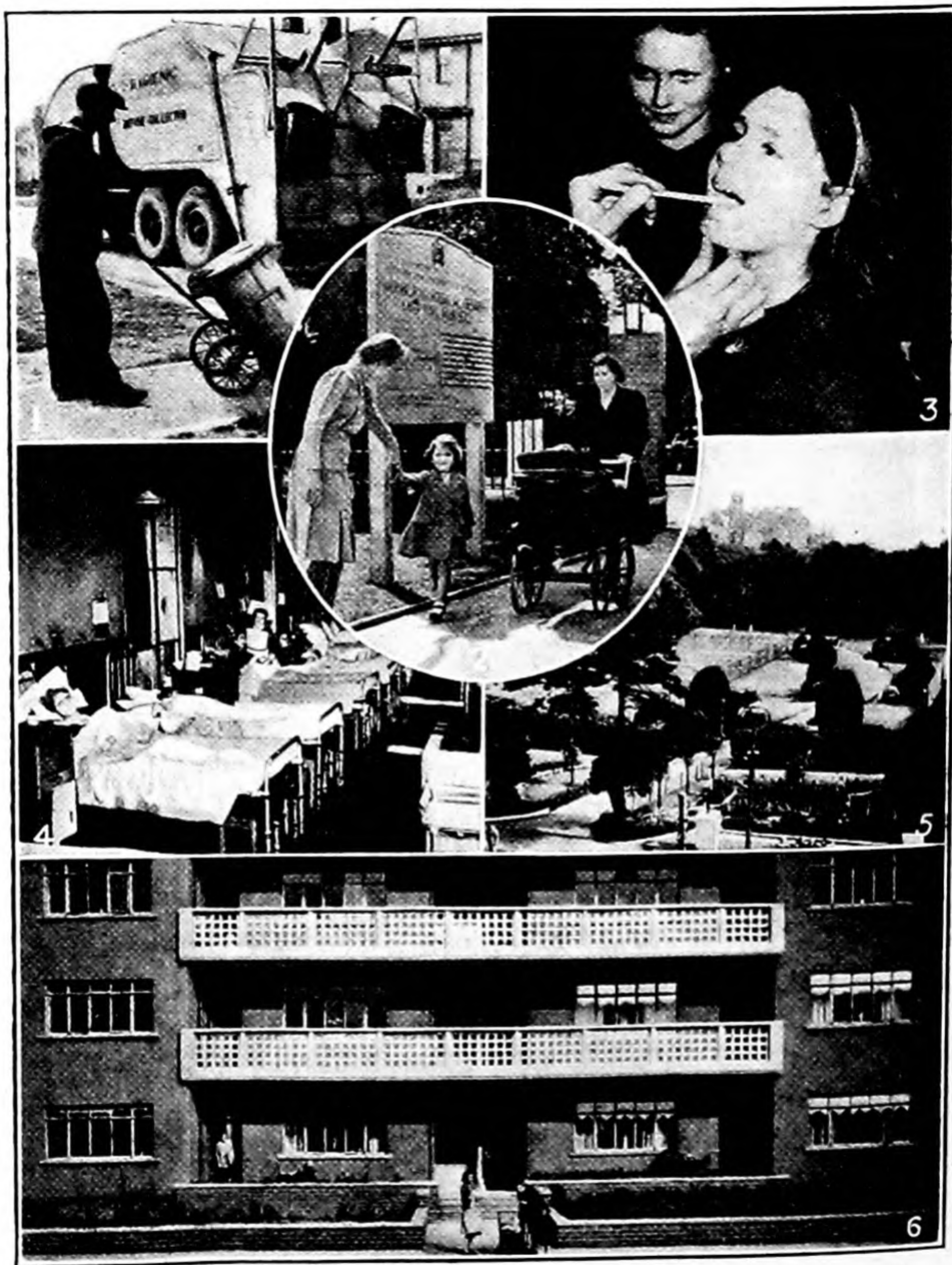
INSIDE OF A LONDON POST OFFICE.

Among the people at the counter would be found those drawing pensions.

OVERLAP IN HEALTH SERVICES

The difficulty was seen by the Government after the first Great War, when, in 1919, all the various ministries who had some authority or other over the control of a Health Service surrendered their authority in practically all cases to a newly created Ministry of Health. The powers of the National Health Insurance Commission were also given to it.

But to this day, in the country as a whole, the Health Services are still divided among very many different authorities and people. There is a good deal of overlap. Workmen's dwellings may be put up in the same area by the county council as well as by the borough council. There is in the same



SOME SOCIAL SERVICES.

- | | |
|----------------------------|-----------------------------|
| 1. Refuse Collector. | 4. Hospital. |
| 2. Day Nursery. | 5. Park and Playing-fields. |
| 3. School Medical Service. | 6. Municipal Flats. |

town a medical officer of public health who will inoculate children against diphtheria or vaccinate them against smallpox and the county medical officer who inspects them and treats them on other occasions because the schools in that town are controlled by the county council.

MEDICAL TREATMENT

Before 1946 it was in actual medical treatment that we got the greatest variety of services. In the same family, father was treated by his panel doctor with whom he was insured under the National Health Insurance Scheme, mother was possibly treated by the doctor at the Borough Welfare Centre, their child of school age either in the county hospital or in the voluntary hospital, maintained by the contributions of private people. And of course in the ordinary way many people were treated by a private doctor, who may also have been a panel doctor, or a doctor working for part time under the borough council or county council. There was not a simply planned Medical Service.

The inadequacies and overlap in the administration of both the Public Assistance and the Health Services were dealt with in the famous Beveridge Report on Social Insurance and the Allied Services, issued during the second World War, in December 1942.

Briefly, the Report suggested reorganisation of all the social services apart from housing and education. It planned insurance for all against want and ill-health. It provided for:

(1) A new Ministry of Social Security to take over

SOCIAL SERVICES

	<u>DIRECT (PERSONAL) HELP</u>	<u>INDIRECT (GENERAL) HELP</u>	<u>ADMINISTERED BY LOCAL AUTHORITY</u>	<u>SUPERVISED OR DIRECTLY ADMINISTERED BY GOVERNMENT DEPARTMENT</u>
	Employment Exchange (Unemployment Insurance)			Ministry of Labour Ministry of National Insurance
	Public Assistance		County or County Borough Council	Ministry of Health
Smith, works, pays taxes, rates, insurance	Doctor (National Health Service)			Ministry of National Insurance
	Hospital (National Health Service)		(Regional Hospital Committee)	Ministry of Health
	Sanatorium		(Regional Hospital Committee)	Ministry of Health
	Library	Sewage, Dust Collecting etc., Housing, Roads, Parks	{ County, County Borough, Borough, Urban and Rural District Council }	Ministry of Health
	Fire Brigade		{ County, County Borough or Borough Councils }	Home Office
		Police	(Metropolitan Police directly under Home Office)	
		Factory Conditions		Home Office
Smith, Junior	School School Meals School Doctor School Clinic		County, County Borough Councils	Ministry of Education
Mrs. Smith	Post Office (Pensions) Clinic for mothers Nursery		{ County, County Borough and large Borough Councils }	Ministry of National Insurance Ministry of Health

Water Supply
Gas
Electricity

Public Utility Company
Regional Board of Corpora-
tion owned by Government



SIR WILLIAM BEVERIDGE.

the duties of health, pensions, unemployment insurance, and public assistance.

(2) One stamp on one insurance document payable weekly to cover all insurance schemes. The cost of the scheme is to fall on the insured person, the employer, and the State.

(3) All citizens to be included in the scheme. There are to be no income limits, and no means test. The population, however, is divided into

different classes for the application of the scheme. For example, housewives are regarded as a distinct insurance class.

(4) Special family allowance for children of school age.

(5) All old people, in time, to be entitled to a pension.

Finally, the scheme included the taking over as a public service, under an Industrial Assurance Board, the work of all private insurance companies.

In February 1944, the Government outlined a proposal entitling every man, woman, and child in Britain to a complete medical service free of charge. In September of the same year it proposed a social insurance scheme which in substance is what the Beveridge Report suggested. These proposals were passed by Parliament in 1946, and now we have at last the beginning of a planned and co-ordinated service against the evils of want and ill-health.

EDUCATION

The provision of education in England, however, is still not simply planned. In fact, till the Education Act of 1944 began to operate, some people asserted it was not planned at all. Public elementary schools in the past have been administered by as small an authority as a borough which had once a population of 10,000 or an urban district which had a population of 20,000, or it was administered by a county borough or the county council. Secondary and technical education was in the control of the county and county borough councils. Parallel, however, with

council elementary schools there were non-provided schools partly under the control of their own body of managers and the old endowed grammar schools only partly under the control of the elected County Councilors. The Education Act of 1944, while it left non-provided, or aided, schools under their own management, did, however, put primary and secondary schools under one local authority and abolished smaller education authorities. But the older public schools are still completely outside the national system of education and the State.

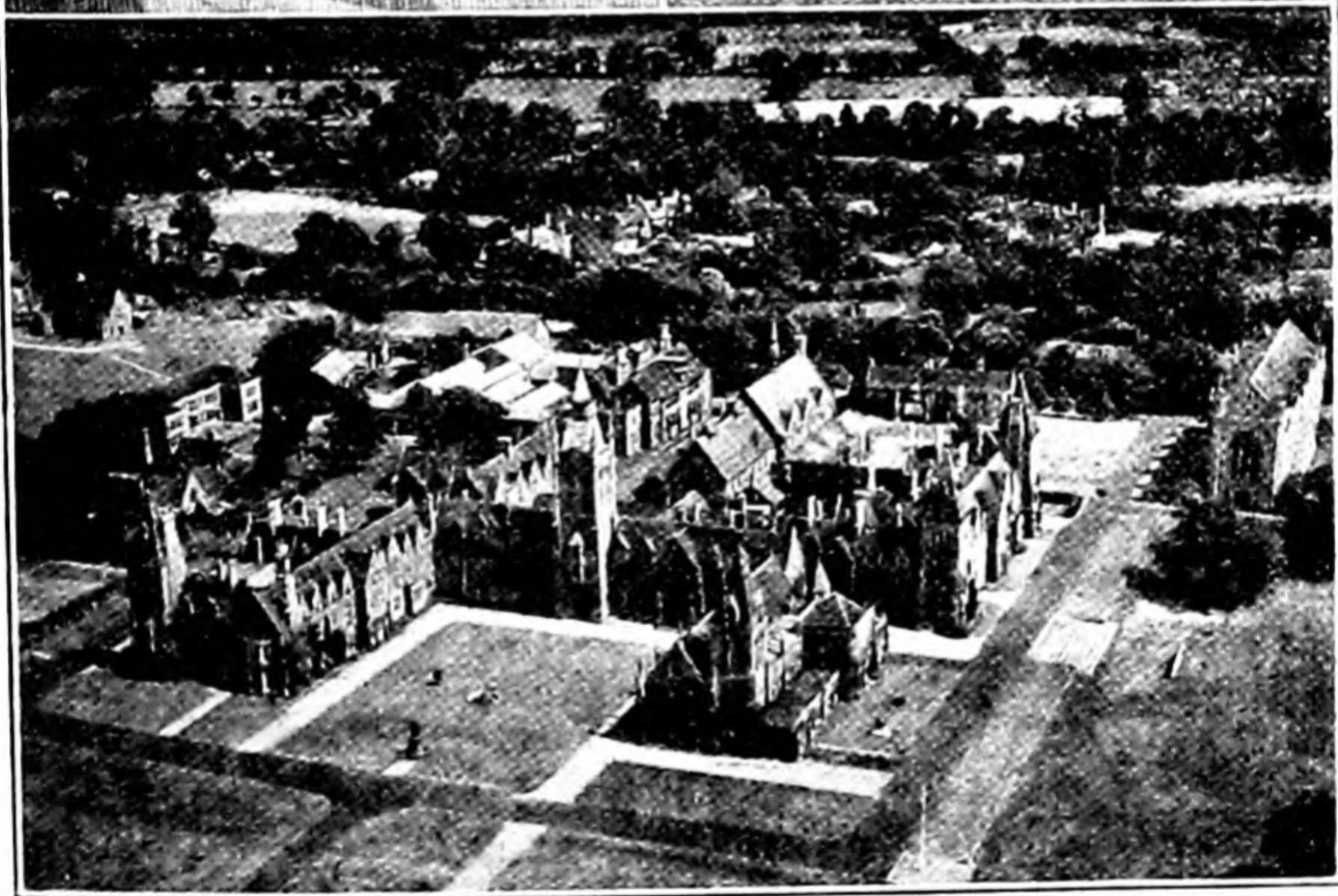
While there is something to be said for independence in the organisation of schools, which in this way may provide freedom for experiment and progress, independent administration makes it difficult to plan and organise a scheme which will give equal benefit to all children.

Education is the most fundamental of our social services, although its results are seen only after many years. Much, indeed, of the social legislation of the nineteenth and twentieth centuries has come about because the public had become more knowledgeable and intelligent. Much more remains to be done to make a really intelligent democracy.

The three social services dealt with are the most important and have been discussed at some length. We can now refer only briefly to other social services.

OTHER SERVICES

The control of the police is through joint committees appointed by the local authority and the local magistrates. A police authority may be a borough



SCHOOLS.

Top left : An old council school in a congested city area.
Top right : A new council school.
Below : A public school.

council or it may be a county borough or county council. The authority appoints a Watch Committee to supervise its police. The licensing of public-houses is done by the local magistrates, while licences for entertainments, slaughterhouses, etc., are issued by the local authority.

The police of the Metropolitan Area, which is an area much larger than the administrative County of London, is directly under the control of the Home Secretary. Indeed, the whole government of London is different in many ways from the rest of the country, but we can only refer briefly to it here.

LONDON

London itself is a specially created administrative county carved out from the old counties of Middlesex, etc. Within are twenty-eight metropolitan boroughs, which have in many ways much less power than the ordinary boroughs in the rest of the country and come more under the control of the county council. In the heart of London is the ancient City governed by its Lord Mayor, with many ancient customs and practically independent of the rest of the London government, and with its own police force; it does not, however, control the schools in the area.

Mention of the Police Service should bring us to the administration of justice, but this is too big a subject to deal with here.

CONDITIONS IN FACTORIES, MINES, ETC.

Social legislation, which deals with the control of conditions in factories, so that the health and safety



Above : A policeman controlling traffic.
Below : Road maintenance.

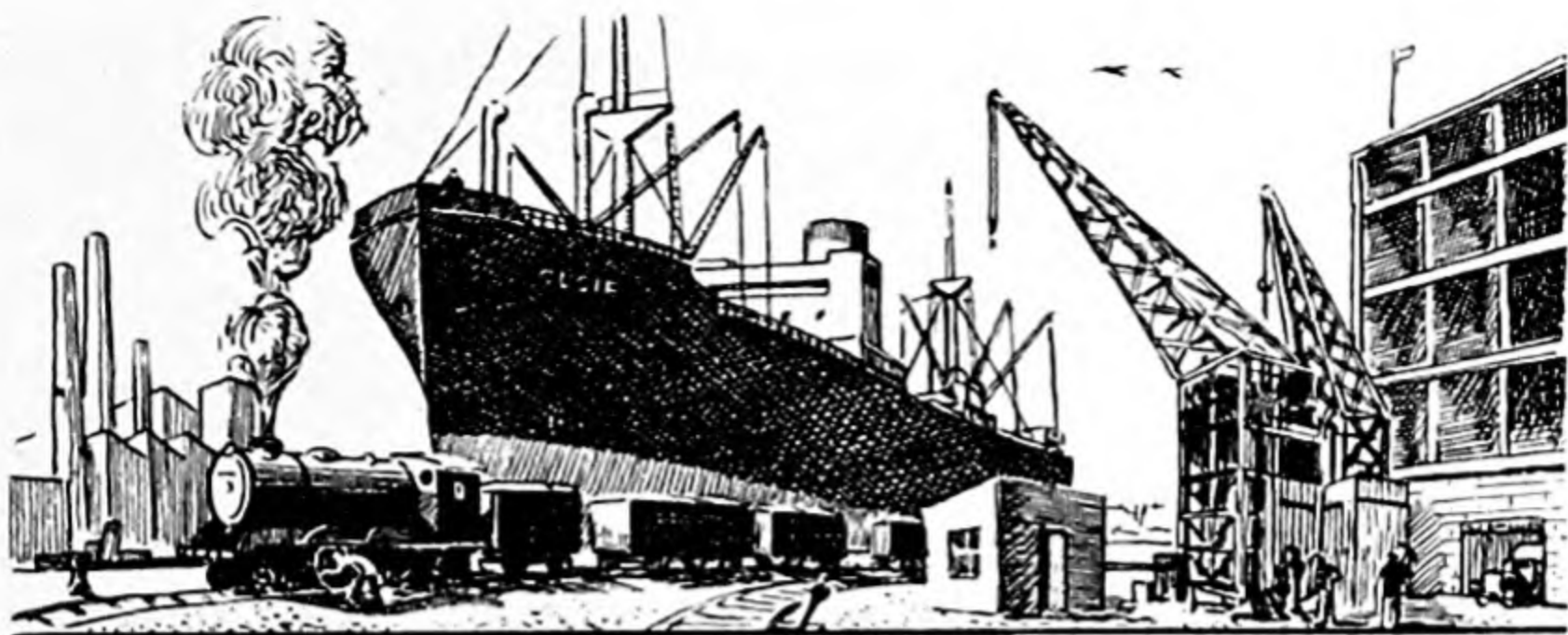
of the worker is maintained, comes directly under the control of the Home Office, which employs inspectors specially for this work.

Similarly conditions in mines are looked after by inspectors of the Mines Department and those of sailors by the Minister of Shipping. Roads come under the eye of the Minister of Transport, as do railways and motor transport in general. But road construction and maintenance is delegated to the local authority, the main roads and bridges to the county and county borough, and the smaller streets to the smaller district, so that even a parish controls its footpaths.

TRADING ENTERPRISES BY LOCAL AUTHORITIES

Reference should also be made to the many trading enterprises which local authorities engage in, either in order to provide a service which would otherwise be inadequate, or to supply it cheaply, or deliberately to make a profit in order to lower the rates. Gas, electricity, trams, buses, and trolley-buses are provided in this way by many authorities. Some provide water, and others ferry services and municipal entertainments.

Thus has the nation attempted during the nineteenth and twentieth centuries to remedy the grievous harm done to its people by the uncontrolled individualism of the period of the Industrial Revolution and early nineteenth century.



CHAPTER XIV

HOW INDUSTRY IS RUN TO-DAY

WE have seen that under the guild system in the Middle Ages, workers owned their tools and raw material and made and sold the product of their labour. On the other hand, when we first looked at modern industry we saw that under division of labour the final product of a factory is the collective work of a very extensive and scattered group of workers.

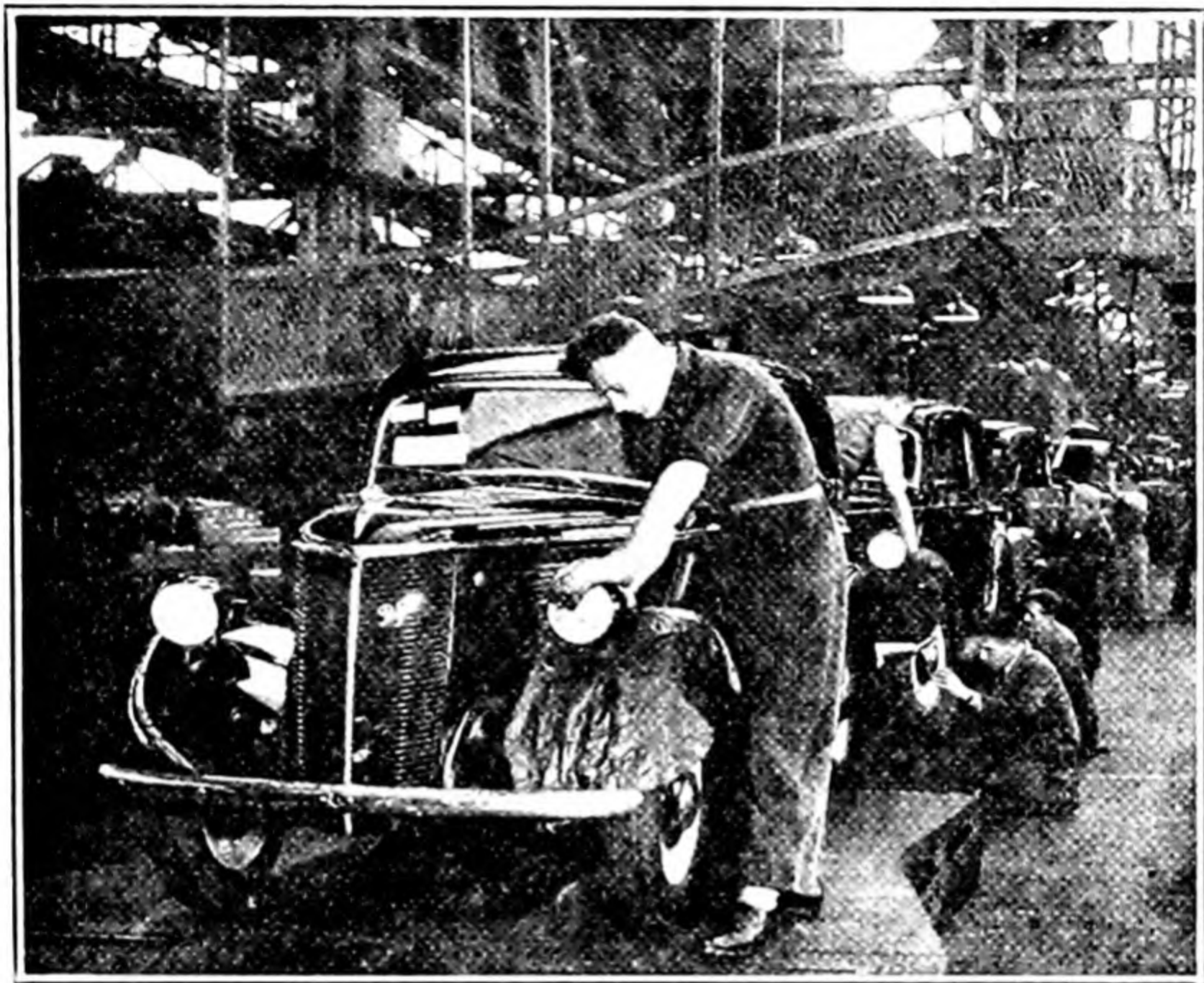
INDUSTRY TO-DAY IS NOT AS IN ADAM SMITH'S TIME

If we study modern industry further we find that it has altered not only in the scale and method of production but in its character. The workers do not own the tools. Modern tools—machines and plant—are much too large and expensive. They do not own the raw material and have nothing to do with the sale of the product. Actually modern industries are on too big a scale to be owned by a single employer. When Adam Smith wrote, he pointed out the advantages of division of labour; at the same time he

advocated *laissez-faire* and free competition. He and the early economists thought of the employer and the workman as isolated persons, the one working with his own capital in competition with other employers and the other looking for a job in competition with other wage earners. Since he wrote, the advantages of large-scale manufacture have also shown up the disadvantages of competing industries. So that just as the State found it necessary to reject the *laissez-faire* view of employers and regulate the work of women and children (and later, men) in factories, just as the trade unions had to combat the *laissez-faire* attitude of employers and force them to agree to collective bargaining in fixing hours of labour and wages; so the employers themselves found it advantageous in the course of the last hundred years to restrict competition in business. They too have found *laissez-faire* wasteful and have largely abandoned its principles. Thus the picture of industry to-day is not the one painted by Adam Smith one hundred and sixty years ago.

THE LARGE SCALE OF INDUSTRY

We find the most important industries organised on a large scale, some national or even international in extent. They are owned not by individuals but by a multitude of owners who hold shares, but do not manage business, while workers in them draw a wage or salary but have no part in the ownership of the tools or goods. The management of these concerns are in the hands of a few managing directors, or even managers who only draw a salary but do not own the



LARGE-SCALE MODERN INDUSTRY.

The end of the production journey of a motor-car.

business. This does not mean that workers or managers do not own property. If they have savings they too may invest these in industrial shares, but not necessarily in the industry in which they work. Usually they prefer to invest their money elsewhere. The characteristic of modern large-scale industry is the separation of ownership from management and the workers from both.

Of course there are still small businesses run by one or two employers, but usually they are small concerns and do not require much plant and equipment. The small man remains in those trades which require

personal attention. The small shopkeeper is only a distributor for the large manufacturer.

How has the tremendous growth in scale of industry come about ?

RESTRICTION OF COMPETITION

First, owners saw the advantages of restricting competition. They entered into agreements with rivals and developed combines, trusts (in the U.S.A.), or cartels (in Germany). They bought up smaller rivals, or undersold them till they had to close down. The story of how Rockefeller built up the Standard Oil Company in the U.S.A. is typical of this method. On the other hand, while they eliminated rivals and by creating monopolies left no choice to the consumer, they could well point out that by large-scale production they cut down costs and eventually sold a cheaper article to the public.

JOINT STOCK COMPANIES' LIMITED LIABILITY AFTER 1855

In England the growth of large-scale industry began after the passing of a law in 1855 which allowed joint stock companies to be formed with limited liability to the shareholders. That is, a shareholder in one of these large businesses was only responsible to the extent of the capital he invested in the enterprise. In 1907 private companies were allowed to be formed, with shareholders limited in number and again with limited liability to the shareholders. These private companies could not offer their shares to the public. But the law also made possible the ownership by large joint stock companies of subsidiary private companies,

will receive £2 10s per cent. and 7½

CLOSING PRICES

BRITISH FUNDS, HOME RAILS, &c.

Consols 2½%.. 97½	+½	U. Hav. '06 Db 17½	-¼
War 3½%.....107¾	+½	Brz. 5% '14 'A' 71	+1
Do. 3%.....106¾	+½	Do 5% 20y FdA 97½	+½
NWB 2½% 54-8103½	+½	Chile 5%.....32½	+½
Funding 4%...117¾	+½	China 5% '12. 45	..
Do. 3%.....105½	+½	Czecho 8%... 97	..
Do. 2½%.....102½	+½	Ger. Pot. 7% 80½	-½
Victory 4%...119½	+½	Jap. 6% 1924.. 20½	..
Svgs. 3% 55-65.106½	+½	Peru Cp. Pref. 9½	..
Do. 3% 60-70.106½	+½	Do. Deb. 83	..
Do. 3% 65-75.107½	+½	S. P. Coffee 7% 96½	..
Do. 2½% 64-67.101	+½	Barclays 'A' 56/0	-3d
Conver 3½%...112½	+½	Do. "B" 82/6	..
Do. 3%.....102½	..	Do. D.C.O. 72/0	..
Consols 4%...114¾	+½	Chtd. of India 11½	..
Local Loans. 100/9	..	Hong. & Shn. 85½	..
Treas. 3% Stk. 107½	+½	Lloyds "A" 65/6	-½d
G. W. R. Ord. 59	..	Do. "B" 33/0	..
L.N.E. 1st Pf. 58½	+½	Midland £12. 11	..
Do. 4% 2nd Pf. 28	+½	Do. "B" 95/9	..
L.M.S. Ord. 29½	..	Nat. Prov. 'A' 57/6	..
Do. 4% Pref. 81½	..	Do. "B" 81/3	-6d
Do. 4% Pf. '23 61	+½	Westmstr. £4 99/3	-3d
Stirn. Defd. 22½	-¼	Do. £1.... 76/0	-1/0
Do. Prefd. 73¾	+½	Alexds. Disct. 94/6	+6d
Lon. Tran. 'C' 58½	..	Nat. Disct. 'A' 6¾	..
Antofgas Pref 45½	..	Union Disct. 63/0	..

A bear squeeze, with oil to 20s, forced Pease and Parli prominence in a generally st group. Bolsover went ahead and Staveley to 58s.

Suggestions of purchase Brazilian sterling funds gav stimulus to San Paulo Rly 101½. Brazilian Govt. loans good. Rosario Drainage fell on the reduced dividend.

Lever Bros. eased to 47s 6d, tered selling, pending the announcement. Globe strengthened to 41s 6d in vi Cable-Wireless holding.

In oils Bt. Borneo encount ing down to 27s 9d, Apex de 29s 9d and Kern, at 5s 9d. hold further improve Burmah resisted this trend a

A better feeling in the Ind was indicated by an improv in Jas. Finlay at 3 31-32 and Trams. at 59s. Britain S.S. were among the firm featur

Company Results

Rawlplug.—Int. 10 p.c. (10).

SHARE PRICES.

From the financial page of the *Daily Telegraph*, 16 October, 1946, showing prices of company shares.

so that the organisation of business to-day is largely that of big joint stock companies owning many private companies and controlling their policy and output.

The combination of large-scale industry is either horizontal or vertical. Horizontal, when it joins up all firms selling or producing the same article. Vertical, when all firms engaged in every stage of production combine. Thus a firm like the Ford Motor Company will own its own boats, transport its own coal, smelt its own metal, produce and finally market its own cars.

MONOPOLIES

Because of the growth of combines or trusts, many industries have become almost monopolies. Such are

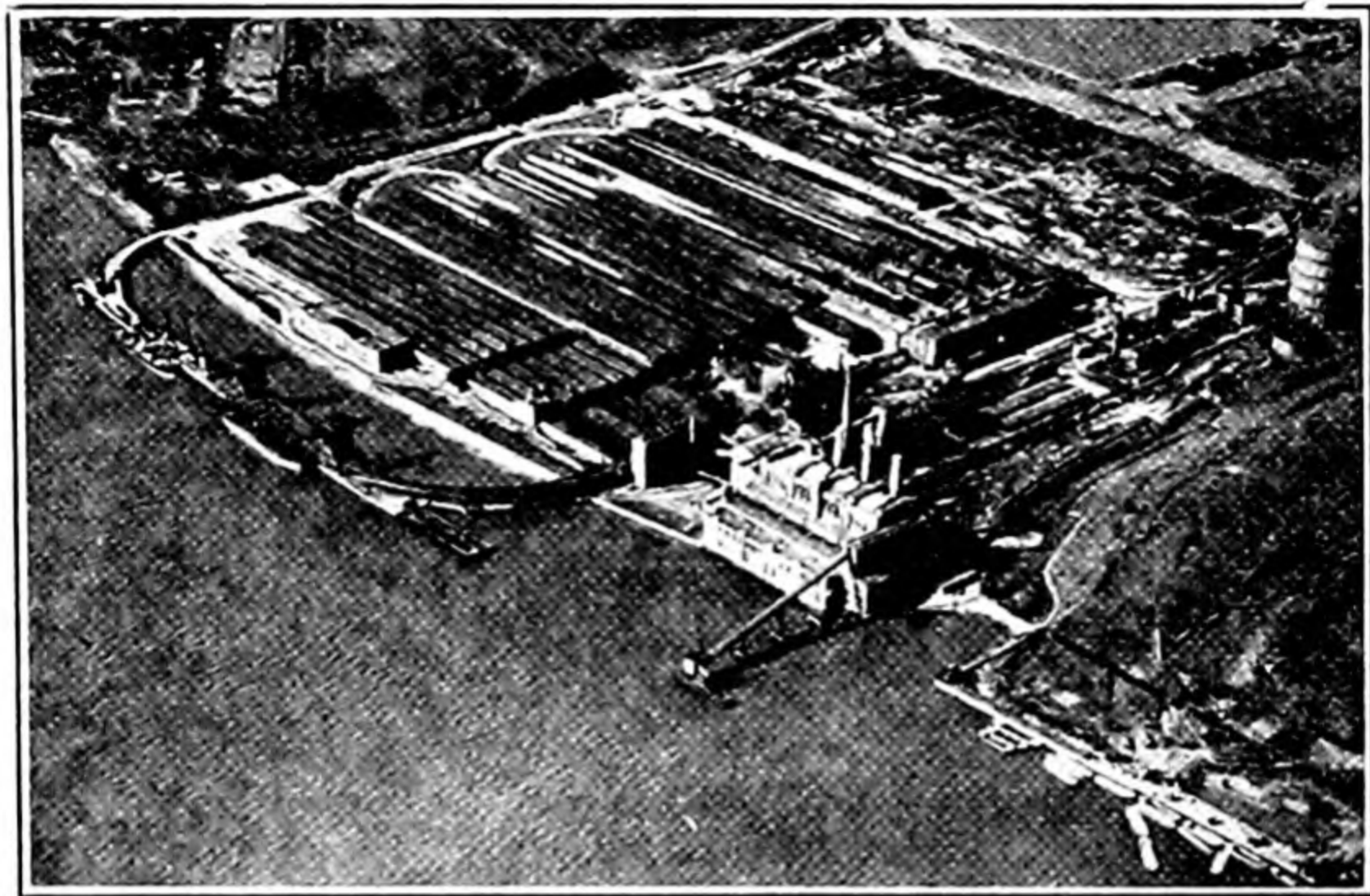
the chemical, soap, tobacco, and biscuit industries. Sewing cotton is the monopoly of one firm in England, namely Coats.

REGULATION BY STATE

For a long time the State has recognised the monopolistic tendency of some industries which are at the same time vital to the daily needs of the people. It has consequently come to regulate or actually to take over some of them. Similarly, on a smaller scale, local authorities have had to take over certain essential services.

GAS, WATER, ELECTRICITY, THE B.B.C., AND L.P.T.B.

The supply of gas and water, which by their nature cannot allow of competing companies, came to be regarded as semi-public services. The law regulated the charges made to consumers and the profit of shareholders. In a somewhat different way the charges made by railway companies were regulated by Parliament. Electricity was sold and managed by a Central Electricity Board set up by the State. London's road and rail traffic was controlled by the L.P.T.B. and its dock and river traffic by the Port of London Authority, both representative bodies set up by the Government, while a new service like broadcasting was quite early taken over and controlled by the Government working through a public corporation, the B.B.C. In the four years following 1945, the Government has actually taken over the ownership and management of the coal-mines, railways, gas and electricity, the Bank of England, and proposes soon to nationalise the steel and iron industry.



AERIAL VIEW OF FORD WORKS, DAGENHAM.

The company owns its own boats, transports its own coal, smelts its own metal, produces and finally markets its own cars.

THE G.P.O.

The oldest Government-owned service is of course the G.P.O. There is a difference, however, in the way the new services are managed as compared with the G.P.O. The latter is managed directly by Parliament, through a Minister in the House, and by civil servants. The modern services are managed, deliberately, indirectly, not by civil servants, but in a way comparable with ordinary industry. Only their policy and their ultimate capital resources are controlled by the Government.

MUNICIPAL SERVICES

Municipal authorities, too, as we have seen, may run their own buses and trams, supply their own gas

and electricity, and among many other trading enterprises provide, as Birmingham does, a municipal bank. Services like education and health are now generally provided by local government authorities, but there are still some private schools and private doctors. Years ago charges were made for the use of roads and bridges owned by private individuals or turnpike companies. Nowadays a toll bridge is regarded as an irritating if interesting relic of a bygone day. More and more in essential public services we have moved towards public control and even public ownership.

THE CO-OPERATIVE SOCIETY

Another form of public ownership takes the form of the Co-operative Society, and the consumers' co-operative movement is a powerful rival to private industry. In Great Britain alone this has a capital of over £150,000,000, and employs a quarter of a million workers. Its shareholders are its own customers, who on becoming members are entitled to its surplus profits in the form of a yearly rebate (the "divvy") on their purchases.

But the Co-operative Society is a voluntary movement, wholly independent of the State. It should be noted, too, that the co-operative movement has been successful, so far, as a consumers' society for the distribution and production of consumers' goods. Attempts to create co-operative societies of producers have been largely unsuccessful.

We see, then, that the world has changed much in its economic structure since the early nineteenth



HUDDERSFIELD CO-OPERATIVE SOCIETY CENTRAL PREMISES.

century. The society of freely competing individuals that Adam Smith envisaged has disappeared and his *laissez-faire* principles have had to be largely abandoned both by industrialists and the State.

TRADE POLICY BY NATIONAL GOVERNMENTS

A note here on the trade policies pursued by various countries during the nineteenth century will help us further in understanding the development of modern industry and the cause of the growth of trusts.

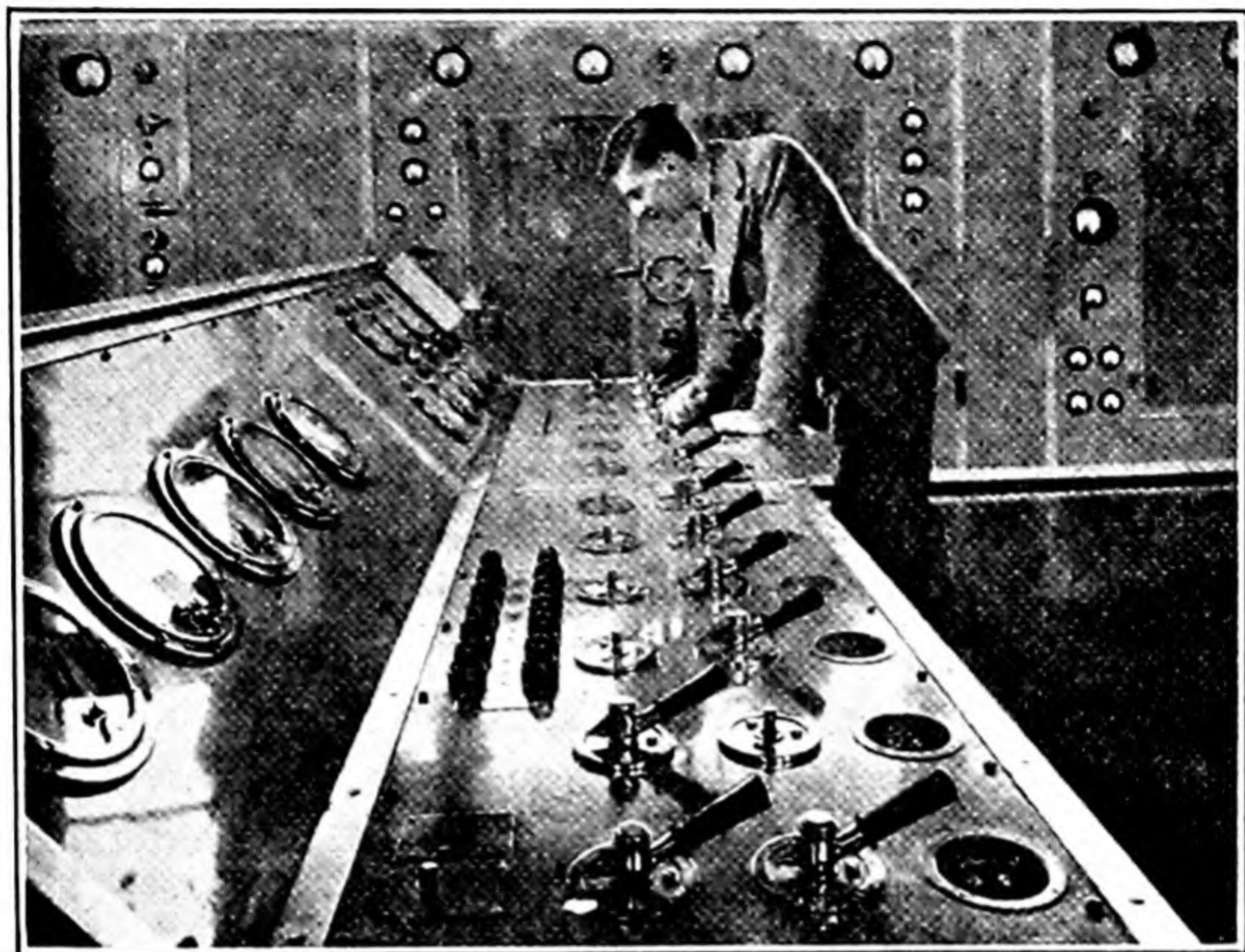
England under the teaching first of its economists and then of manufacturers like Richard Cobden had pursued in the first three-quarters of the nineteenth century a policy of Free Trade, and halfway in the

century had almost succeeded in persuading Europe to follow suit. But England had been first in the field as a manufacturing country and other countries worked on a policy of Protection to foster their infant industries. Then behind a tariff wall they pursued an aggressive policy of dumping goods—that is, selling them cheaper abroad than they did at home—and so ruining the English market. The policy of high tariffs, pursued first by Germany and then by the U.S.A., encouraged the growth of trusts in those countries, for only by combination could they have a unified policy. The policy of dumping created in England a demand for duties on foreign goods, or Protection as it was called, and led to amalgamations by English manufacturers. This foreign competition explained the fierce determination of English manufacturers to keep down wages which we noted in the chapter on the trade unions.

ECONOMIC NATIONALISM

This trade war was one of the causes of rivalry that led to the Great War of 1914-18. After it the policy of Economic Nationalism was pursued still more by most countries and ruined world trade. The great "economic blizzard" of 1929-31 caused a world-wide slump in trade and tremendous unemployment. A conference of all nations to discuss this was called by Mr. Ramsay MacDonald, the British Labour Prime Minister, in 1933, but was a failure. The second World War was made that much nearer.

To bring about world peace and world prosperity, this economic agreement amongst the nations is



A B.B.C. TRANSMITTING STATION.

The control desk of one of the high-power transmitters.

essential. Indeed, Cobden's passionate advocacy of Free Trade came from the conviction that it would also bring about world peace. Other nations, however, argued that it was advocated as a policy that suited England because she had had a flying start in manufacture. To-day the nations of the world are reconsidering their common trading needs through United Nations committees.

NATIONALISATION OF INDUSTRIES

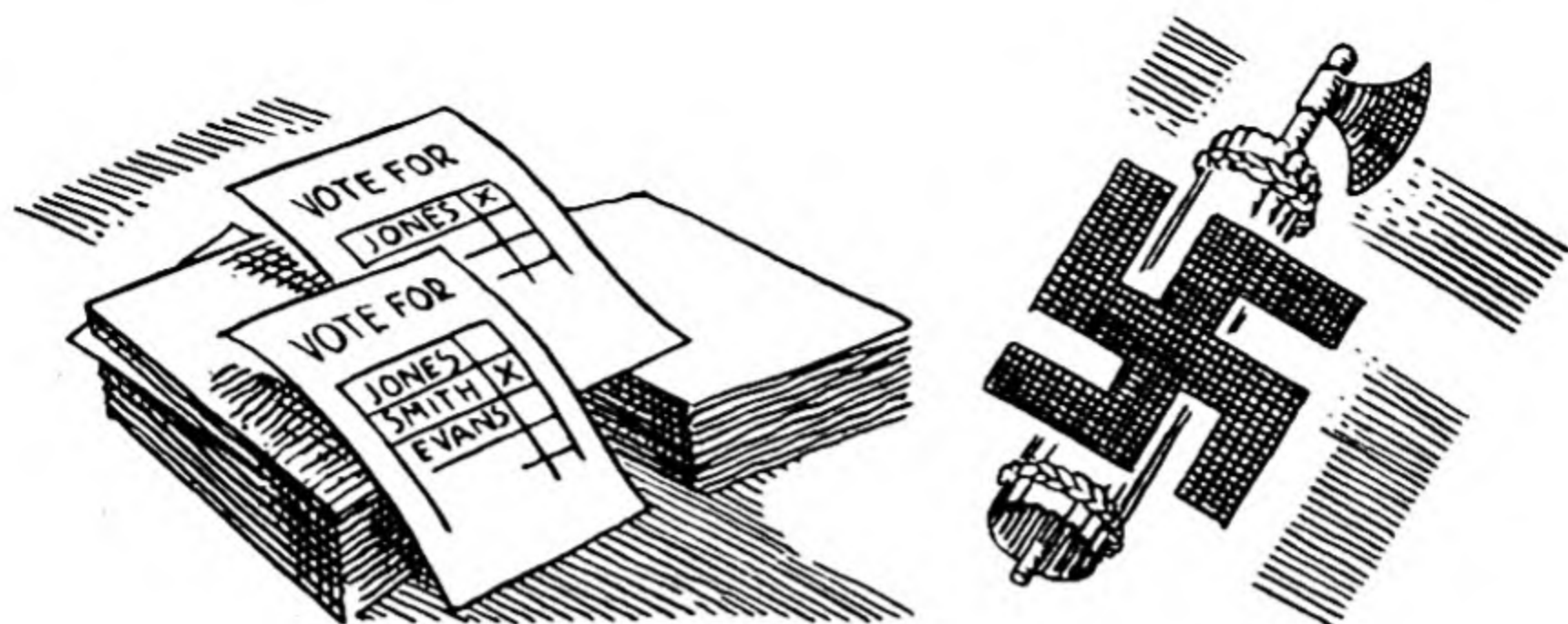
On the home front, too, certain problems of industry will have to be settled. The development of large-scale industry and the trustification of industry have led to an outcry from the public. The wage earner

during the last century has acquired political and industrial power and he has received education. He is tremendously interested in all sorts of projects of reconstruction. While in America dislike of the trusts has taken the form of anti-trust laws, in England it has led to a demand for the nationalisation of certain big industries, and this was in fact carried out by the Government after 1945, as mentioned on page 134. Similarly, just as education is largely a public service, so the medical service has become largely a State service.

The opponents of Nationalisation argue that State ownership kills initiative and slows up service by adhering too much to what is known as "red tape," i.e. Civil Service or bureaucratic methods.

For this reason, as we have noted, a halfway house has been found, so that some industries are partly controlled by the nation, or some when taken over are not directly controlled by the Government as is the G.P.O., but are managed by directors of corporations who are appointed by the Government, and can only indirectly be approached through a Minister. This is so in the case of the B.B.C., the National Coal Board, the railways, the electricity and gas regional boards, and the Bank of England.

It is well that, in a world that is so full of problems and of so rapid change, all these views and methods should be considered intelligently.



CHAPTER XV

DEMOCRACY AND FASCISM

IN previous chapters we have seen how in England in the last hundred years Governments have taken to controlling the conditions of industry and have even in recent years decided the shape of new national enterprises. In varying degree, remember, this was being done by other countries besides England. In this chapter we shall see how the new industrial conditions of our age are in turn shaping Governments. Not only have people new ideas on how they should be governed, but in some countries old forms of government have been replaced by new.

SOME BIG WORDS

In discussing these changes you will hear people using the terms democracy and fascism, autocracy and bureaucracy, individualism and collectivism, as well as capitalism and socialism—all rather big words.

Do you know what they mean? It will be as well to look first at their root meanings and see why they are used. Many you will find in the dictionary. Some you have met in earlier chapters.

Autocracy means absolute government by one person. Democracy means government by the people, i.e. self-government. Bureaucracy means government by officials appointed by the ruler or rulers. If industry is organised by private individuals and its driving motive is private gain, then such industry is described as individualist. If, on the other hand, industry is owned and organised by the nation as a whole and the motive is public service, then such industry is described as collectivist. Sometimes the term capitalist instead of individualist is used to describe that sort of society in which individuals have power to control industry because they own the capital with which it is run. Similarly socialist is used instead of collectivist when the capital needed for running industry—factories, raw material, etc.—is owned by the nation. Fascism is a new term, and refers to a form of government introduced first into Italy in 1922 by Mussolini. It takes its name from the fasces or bundle of rods carried before a magistrate in ancient Rome. In Germany the group of people organised by Hitler called itself the National Socialist, or, in brief, the Nazi Party. The Government that came into being when that party came into power in Germany in 1932 was similar to the Fascist Government of Italy. What sort of government this was will be described later. The Russian form of government is said to be communist. Communism is still another



NATIONAL SERVICE ACTS

Registration of Young Men

born between
1ST JANUARY 1929 & 31ST MARCH 1929
(both dates inclusive)

★ SATURDAY
7TH
DECEMBER
1946

1. **YOUNG MEN** born between the above dates must register at a Local Office of the Ministry of Labour on 7th December, 1946. **YOUNG MEN WHO HAVE ALREADY REGISTERED UNDER THE BOYS & GIRLS REGISTRATION ORDER, 1941, MUST REGISTER AGAIN UNDER THE NATIONAL SERVICE ACTS. NATIONAL REGISTRATION IDENTITY CARDS MUST BE PRODUCED.**

2. **TIMES OF ATTENDANCE** are arranged according to the initial letters of surnames, as follows:

A-F between 1 p.m. and 2 p.m.

G-O „ 2 p.m. and 3 p.m.

P-Z „ 3 p.m. and 4 p.m.

Those who cannot attend at these times should attend between 9 a.m. and 11 a.m.

3. **ALL YOUNG MEN** registered will be given the choice of underground coal-mining as an alternative to service in the Armed Forces.

4. **SEAMEN SHOULD REGISTER** at Mercantile Marine Offices, if possible, otherwise their Registration will be accepted at Ministry of Labour Offices.

ISSUED BY THE MINISTRY OF LABOUR & NATIONAL SERVICE

AN EXAMPLE OF MODERN STATE CONTROL OF EVERYDAY LIFE.

word for socialism; it differs in meaning in one way only. It has come to be associated particularly with the means it advocates to attain power in order to bring about a socialist form of society.

PEOPLE EXPECT STATE CONTROL

Now let us look at our changing world. To people living to-day who have endured two world wars, the nineteenth century and its ideas seem very remote. You remember the term *laissez-faire*, introduced by Adam

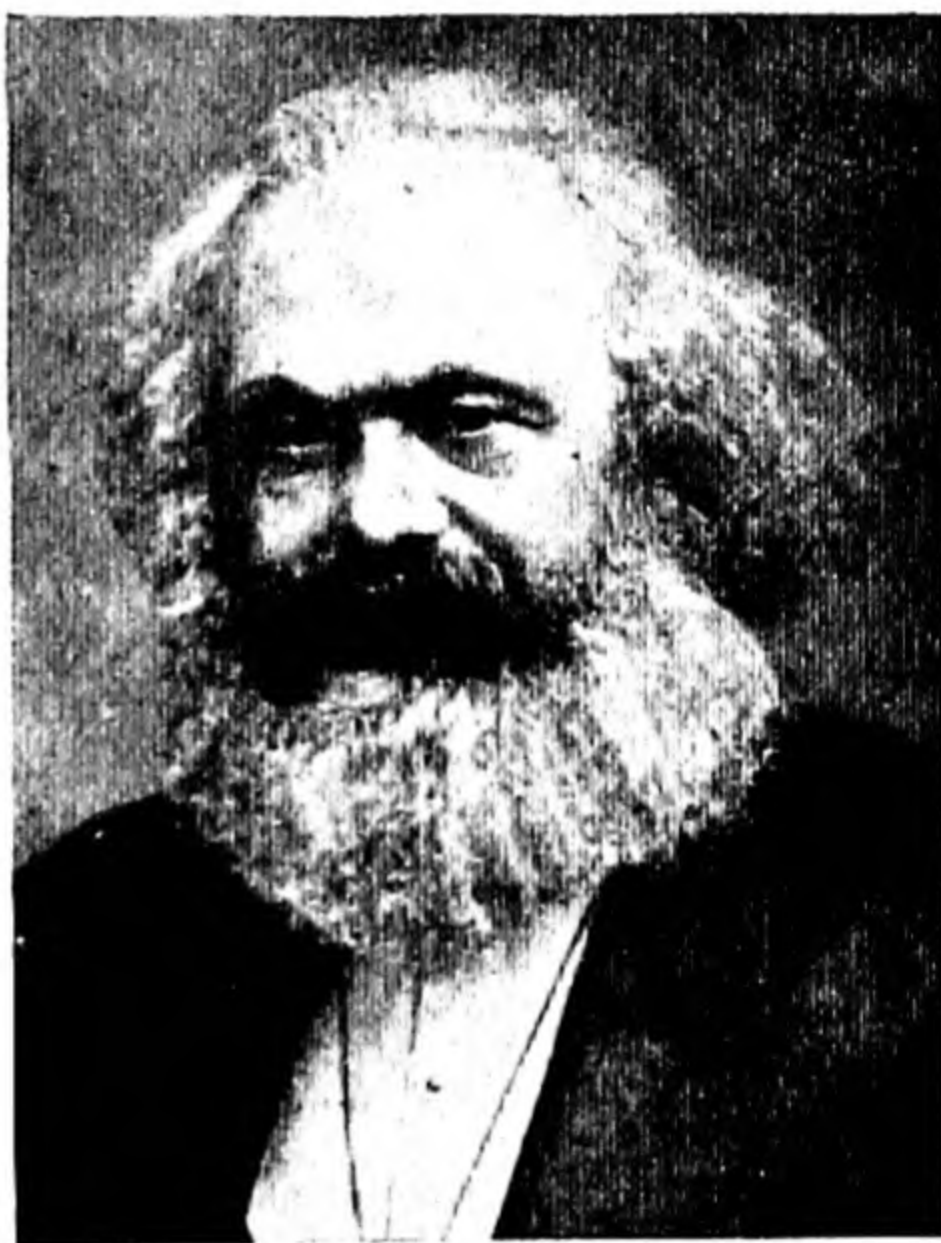
Smith. Very few people now advocate the *laissez-faire* attitude to social problems. What do we find instead? If we turn to our own country first, we find people accepting regulation and public control of industry and the provision of social services by the State as a normal feature of the life of the country. And this is so even while most of industry is still owned by private persons. We find also that not only is the tendency to public control greater, but the idea of the need for public ownership is growing. Even the idea that the State may control the everyday life of its citizens is finding many adherents. Why is public opinion moving this way? In people's minds such development in thought is merely more steps—even if they are big steps—on the road the nation has followed in dealing with social problems. In addition we have been influenced by happenings on the continent of Europe, to which we shall turn in more detail later. Finally, we have been driven to this sort of thinking by the way we have had to use the country's resources to fight modern war—totalitarian war, as it is called. Yet we must remember that the British tradition of individual liberty fights hard against the tendency to regulate people's lives.

State action was advocated as a cure for all our social and economic ills after the first world war, particularly for unemployment. People advocated not only the elimination of the power of private people from the control of the industrial machine, but complete State action in other directions. The idea behind all this suggested more than a new way of

running industry; it implied a new way of governing a country.

A THEORY OF GOVERNMENT

Actually such an idea or theory of government is not new. It had been put forward in difficult times in different countries in Europe during the nineteenth century. In fact in England we can go back for the idea to Sir Thomas More's book *Utopia*, written in the sixteenth century. Reference has also been made in a previous chapter to the suggestions of Robert Owen in the early nineteenth century. A similar idea had been put forward in 1848, the year of revolution in Germany and France. The teachings of Karl Marx had great influence there. But in the difficult post-war period of 1918 onwards it was particularly attractive to the countries which had suffered most in the first world war, namely Russia, Germany, and Italy. And so we must turn abroad to see the biggest changes of modern times.



KARL MARX.

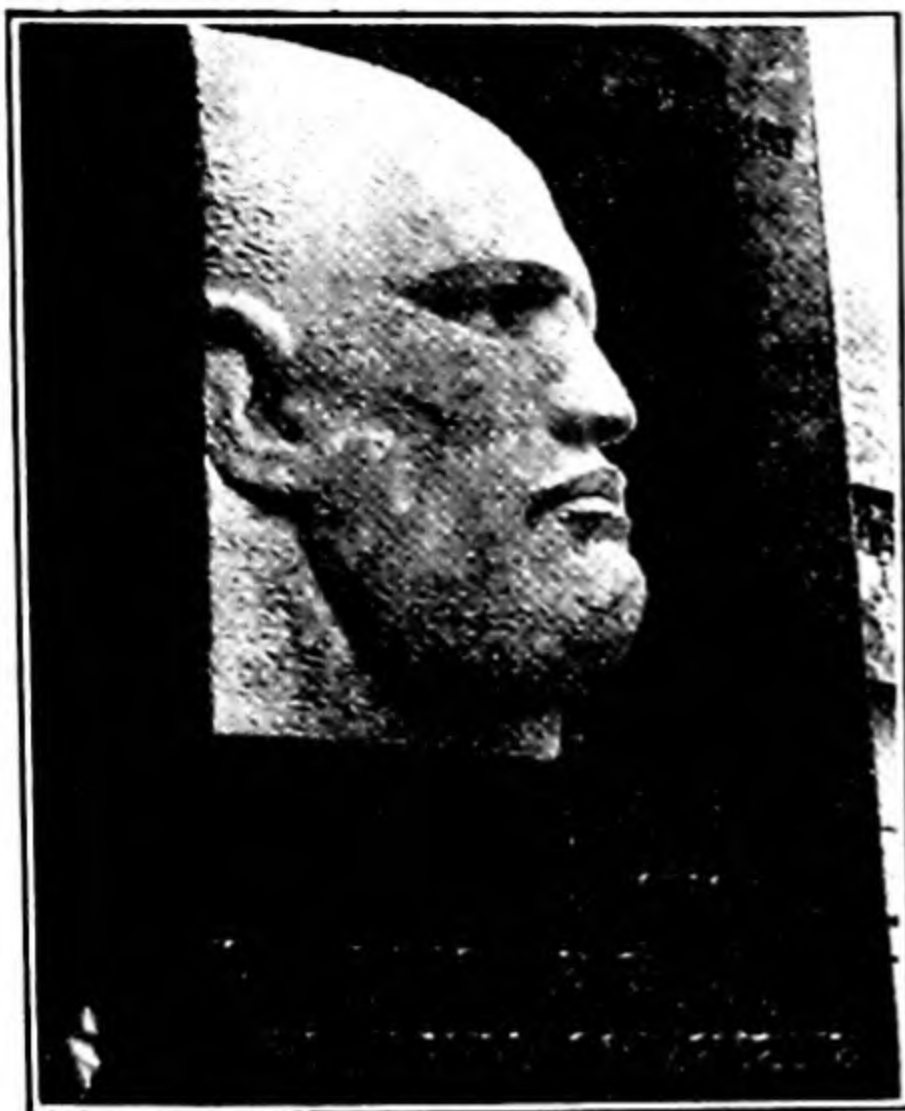
Generally speaking, those who in England believed in this type of government had also faith in the good sense and the goodwill of citizens to elect an efficient leadership for this purpose. They argued that such a government had to be elected, for if a man's life was to be controlled more by the State, then it must be willing surrender on his part for the sake of a finer community life. Even if we moved slowly to this attitude, it was better to wait, for the history of the last hundred years showed the inevitable growth of State control.

On the Continent, while there were many like-minded persons, many others who believed in State action would not wait. Their social problems were too pressing. They argued, if it was necessary, such a Government should be imposed by force or guile. And so a change in the method of governing their countries was imposed or maintained by violence by men in Russia, Italy, and Germany.

THE DICTATOR COUNTRIES

In those countries before the second world war, not only industry but every phase of life was controlled by State action. We travel from reasonable State control to complete and imposed control; from the willing submission of the individual to an imposed and complete subordination of every man and woman to the State; from an elected leadership to a dictatorship.

There was, however, a fundamental difference in the ideas underlying the Governments of these countries, and certainly in the circumstances in which the changes



THE "LEADER-IDEA."

Immense stone carving of the head of Mussolini.

came about. In Russia, in 1917, the revolt was against an inefficient autocracy where people had no vote and no say in the government of their country. In Italy and in Germany the revolt was against an inefficient democratic form of government, whose difficulties were made greater by the unwisdom of statesmen in dealing with the world's problems between 1918

and 1930. In Russia the leaders of the Revolution stated that the method of force used to create and support the new Government was only a temporary and unfortunate necessity and that the election of its leaders would in more peaceful times be left to the choice of the people. In Italy and Germany, however, the new leaders deliberately



In the dust of North Africa, beside a captured ammunition dump.

put the clock back, for both countries had democratic constitutions. Instead they adopted a new faith. Their so-called "leader-idea" implied an imposition of leadership and a blind following by the masses of the nation.

THE FASCIST FAITH

This difference between leaders and masses, in fact the contempt for the masses, was a cardinal point in their new political faith. Moreover, the Italian and more so the German idea involved the differentiation of the world's people into races, some of whom are born superior and others inferior. The "ruling race," which is the "Nordic" race, was to rule without question races of "lesser breed" and rule them mercilessly. In fact race and State were worshipped and nationalism was made into a religion. Besides their mystical significance the individual was of no account. The rank and file were, however, rewarded by their inclusion in the kinship of race and were allowed to participate in the rule of the rest of the world by blind force and brutality.

THE DEMOCRATIC FAITH

Contrast this with the democratic idea, which has the highest respect for the individual man, woman, and child. Our Western civilisation has developed this tradition of respect for the personality of the individual. In this it has been influenced by the fundamental ideas of Christianity.

In fact, modern democracy as a theory of govern-



TYPES OF THE U.S.S.R.

1. An Air Force sergeant ; 2. A girl parachutist ; 3. A Russian boilermaker ; 4. Children of a collective farm in Buryat-Mongolia ; 5. Tadjik Republic farmer and daughter ; 6. A group of schoolgirls.

ment arises out of the religious faith of the early Protestants and Puritans, who turned to the Bible for their inspiration, and left the interpretation of its teaching to the conscience of the individual. The Puritans travelled to America, and the elected President followed naturally upon the elected religious minister, for they would not have even religious leaders imposed upon them.

In Russia, while the State is still all-powerful, it claims this as a means to an end, the end being the interests of the individual men and women of the country, but Western countries are very critical of the means used. There is also no racial discrimination in Russia. The various States of the Soviet Union include many types if not races. So that we see that although on the surface and in action all the dictatorships appear at first to be the same, yet in fundamental outlook they may be poles apart.

HOW SHALL WE JUDGE ?

If all modern States appear to be acting in the same way in controlling the lives of the people, how then shall we discriminate between them ? What is the difference between a dictator State and a democratic State ?

The answer is that it does not lie in whether there is or is not State control, whether there is or is not State planning. Such action, it is true, makes a difference in industrial organisation, certainly in the elimination of unemployment and the creation of social services, and probably in the making of industrial efficiency. What is important to-day is, first, in

whose interest a State is managed; and secondly, whether the leaders of such a State are controlled by the mass of the people.

You could have a collectivist State which is also a democratic State. For a democratic State is one in which the individual man and woman is regarded as a person of goodwill and good faith, and who may be trusted to elect his leaders, to whom he will willingly subordinate his time and work and respect. You can have a collectivist fascist State, in which leadership is imposed, and the individual subordinated by force to the State. If he is not subordinated by force, then his intelligence and emotions have been warped into a tribal faith, which makes him at one with what he regards as his race, in order to prey upon the rest of humanity. We say his intelligence is warped because our wisest men of science affirm that there is no race in Europe that is distinct from other races. In the past 10,000 years the human race has become largely one; we say his emotions are warped because the history of humanity shows that what is best in humanity has been based upon kindness, justice, and freedom, as well as upon courage and truth.

Fascism has been successful in eliminating unemployment. That was because it had a planned industrial and commercial policy directed to the interests of the State. Unfortunately it interpreted the interests of the State as the conquest of other people. So there was a boom in the production of war materials. The Germans had a faith. It was a tribal faith in themselves at the expense of the rest of the world. We too must have a planned economy in

the interests of the State, but the interests of the State must be the good of its people; and we too must have a faith, but that should be the extollation of what has been best in the past history of England with its long fight for freedom, independence, and justice.

THE STATE AND THE INDIVIDUAL

If the individual is to be subordinated more to the State, then the subordination must be a willing one, arising from a consciousness that the State is acting thus and thus, because of its concern for the good of its men and women, that what is lost in subordination is offset by gains in security, happiness, and freedom in other directions.

THE PROBLEMS OF MODERN GOVERNMENT—THE RULERS

And another point. The men who are in control of such a system of government have a much harder and greater task than previous rulers. And the Civil Service officials who carry out the details of such government must be particularly able, efficient, and honest. In fact people who oppose the idea of the expansion of State action do so because they argue that such a government requires supermen at its head. They oppose also the growing control of people's lives by civil servants; they call this bureaucracy.

Those who advocate the extension of State control argue that only in this way is it possible to cut across the tangle of conflicting private interests which so often has ruined our industrial organisation, has held up good government, and has made many ordinary people miserable. As for Civil Service control, they

Cotton Spinning Mills (Safety Methods)

7. **Mr. Tinker** asked the Minister of Labour if his attention has been drawn to the necessity of the fitting of mechanical wiping down motions in cotton spinning mules; if he is aware of the fatal accident which happened to a woman operative on 25th November, 1943, at an Atherton mill which would not have occurred if a motion of the kind referred to had been installed; and will he have the whole question examined so as to bring about better safety methods.

Mr. Bevin: I agree that mechanical wiping down motions of this kind materially reduce the risk of accident and injury to health, and I am going into the possibilities of making further supplies of them available.

agreements to meet the case of persons directed to the coalmining industry is one for my right hon. Friend the Minister of Fuel and Power.

Commander Galbraith: Is the Minister aware that there is very real apprehension and that there is also dissatisfaction among trainees regarding the pay and allowances they are receiving; and are any special steps being taken in connection with the welfare of these young fellows?

Mr. James Griffiths: Will the Minister advise these young men who are going to the mines that if they meet with an accident the claim for compensation is likely to be opposed by the owners, and that unless they are members of the Union they will be suffering detriment for the rest of their lives?

QUESTIONS IN PARLIAMENT.

Part of a page from *Hansard*, Thursday, 20 January, 1944.

point out that the largest national industries to-day are run by managing directors and staffs who are paid salaries by private owners. There is no reason why they should not work equally efficiently when the industry is owned by the State. They will then become civil servants of a new type, and will administer a new kind of State service.

THE CIVIL SERVICE

The traditional type of Civil Service administration was based upon direct control, which meant interference by Parliament. People say that such administration is not suited to industrial efficiency. A new method will have to be evolved, and indeed is being tried out now, in the management of the new public corporations. In this new method, while control by Parliament is maintained it is more remote. Officials do not have to work with the feeling that any day,

in answer to a question in Parliament, they may have to explain their actions to an inexperienced public. The effect of such an atmosphere, it is said, makes them play for safety, and they will not venture new ideas. By change to the new administration, slow bureaucratic methods in national enterprises will be removed. Instead, business methods will be used, but the interest that will be served will be public and not private.

THE ELECTORS

For the new development in government, not only are good rulers essential, not only are honest and efficient civil servants necessary, but from the electors themselves more is demanded. Nations which do not take democracy seriously, whose electors neglect public issues, and do not value their vote and therefore do not vote when they should at election time, soon find themselves in the hands of dictators. It is said that those countries in Europe whose peoples turned in contempt from democratic methods were those where the democratic tradition had been very brief.

Ours is certainly long and honourable. But it will follow the same slippery road if the electors forget their own importance, their self-respect, and their duties. The vote has now been given to every man and woman over twenty-one. An eminent publicist and journalist with much experience of European behaviour between the two world wars questions whether such young persons should not first show by some test that they are both interested in public matters and capable of making decisions on public



ELECTORS VOTING.

An elector about to drop her vote into the sealed metal box. The polling clerks are in the background.

issues. The test would not demand expertness or book learning, but it would certainly demand interest and sincerity.

And it may be questioned whether candidates for membership of local authorities and certainly candidates for Parliament should not show some qualification in knowledge of social problems and social history.

The point is that democrats, by self-discipline, must be as ardent (or nearly as ardent) in civic responsibilities as are fascists through imposed discipline; and for the inspiration of a narrow tribal faith there must be the finer beliefs in truth and courage, tolerance and

kindliness, understanding and co-operation, needed for a world society of great nations.

DIFFICULTIES OF DEMOCRACY

But a note of warning remains to be sounded. The democratic form of government, like all forms of government, ultimately turns upon the nature of men and women. We must not expect miracles. We must not expect a great change in human nature. In a forward-looking society and under a good form of government we may expect the stimulation of the better qualities and the checking of the lower in people. That is the real job of government, to create the best conditions in which men and women may live and develop.

Much has been spoken and much has been written by philosophers, statesmen, and politicians on the subject. And ordinary people, too, have voiced their feelings. Many have complained that the position of the citizen under democratic forms of government is not as the idealists say it is. Thus a man may have economic freedom when he chooses his own job, but he hardly has economic freedom when he is unemployed for many a month. It is to meet this criticism that stress has been laid in earlier chapters on the need for doing away with unemployment in our society.

Under democracy men and women have personal freedom, and with this should go freedom of thought, freedom of speech, and freedom of the press. Many have complained that unequal educational opportunities in one sense prevent freedom of thought and

DAILY EXPRESS

No. 11,106 Thursday, December 19, 1946 Price 1d

1 **EDRICH** criticises
Morrison's powers
2 **R.S.C.** talk against
the Australians
3 **SIR A. HAYWELL**
is tourist chief
4 **RESTAURANT** shot
after gang fight

204 VOTES AGAINST STATE ROAD-RAIL

Bill passes
first big
challenge

**V.C. AND
COLONEL
TACKLE
THIEVES**

Girl leads "army"

**Mrs. W.'s
shopping
bags**

*So the crop pays
fine damages*



*Called manager a
"cheeky monkey"*

EDRICH 100: HAMMOND CAUGHT

This is headed at 17

See EDRICH and Hammond

Launch score

DAILY HERALD

No. 11,106 Thursday, December 19, 1946 Price 1d

TORIES' TACTICS ARE EXPOSED

Morrison: Demand For Inquiry
Is Time-wasting Trick

POLICY BANKRUPTS

Back-To-Wall Century For Edrich HAMMOND IS OUT

NEWSPAPERS OF THE SAME DAY.

Note how they choose a different emphasis of the same news.

speech. Men have criticised the way our newspapers are controlled, the way news is cut and presented, and the way opinion of a half-educated public is moulded. There is certainly room for improvement in this direction. But no matter how much we criticise these shortcomings, the conditions even under present-day democracy are far removed from the conditions of repression of the ordinary man and woman in dictator countries.

DEMOCRACY HAS ITS GREATEST WORK YET AHEAD

We have said present-day democracy, for this brings us to the point that "democracy is in process, not finished, and has its greatest work yet ahead," and

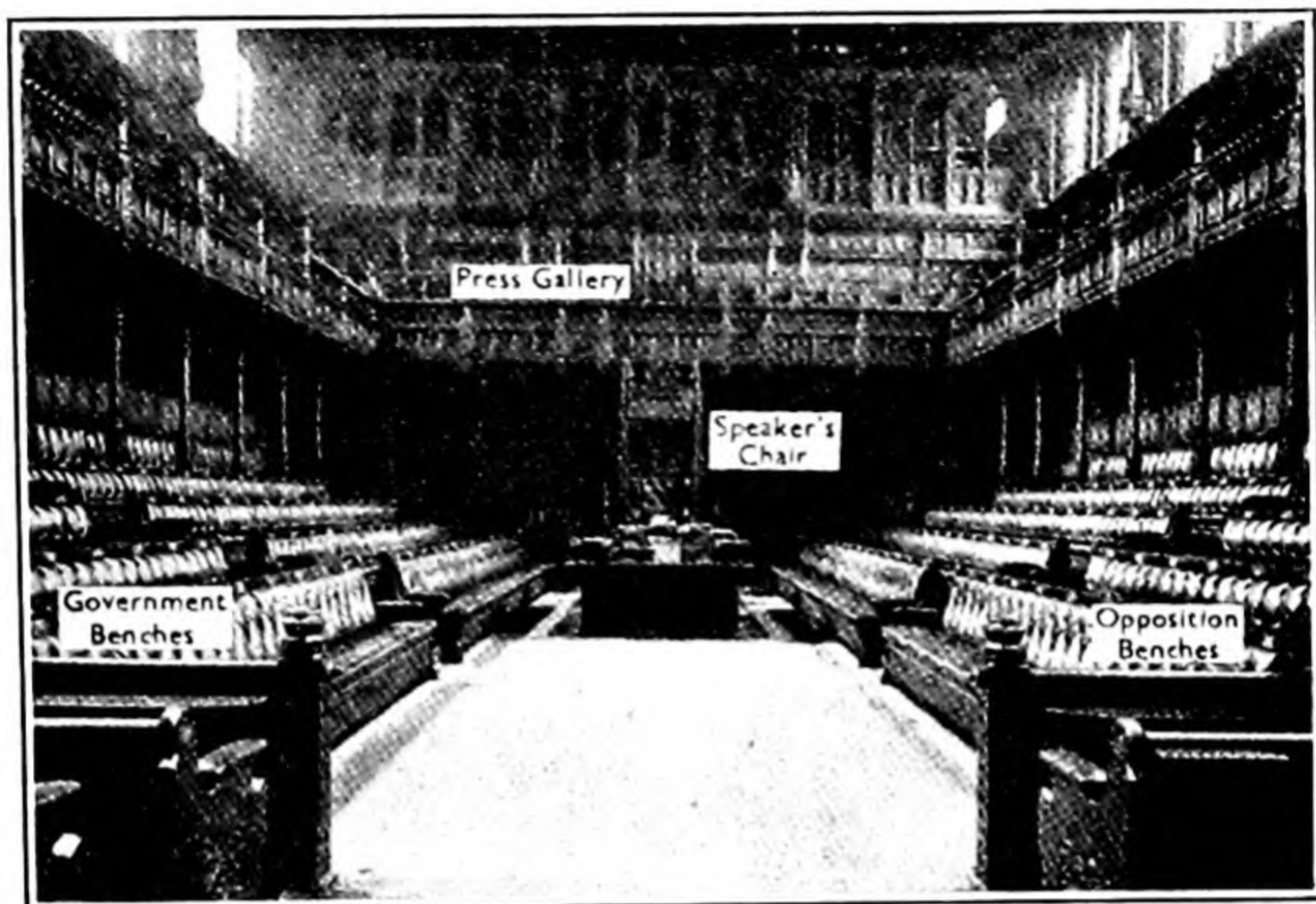
that "democracy has never really been tried." Its greatest virtue is that within its framework there are greater possibilities of better government and individual happiness than under other forms of government, for there is always room for change and reform.

The underlying principles of fascism, however, once and for all, place the majority of mankind in a position of subservience to a State machine. Government is carried on by a self-selected group of leaders. Criticism is crushed and with criticism the growth of human society.

PARTY GOVERNMENT

The need for criticism in government explains our system of party government, which is closely linked with democratic rule. Yet this system is frequently condemned by unwise and superficial thinkers, and always by those who hate democracy. This condemnation is another example of how people, impatient of results, untaught by experience, move down the slippery path into the hands of dictators, and is a case of unjust criticism of democracy. The result is that we frequently get otherwise intelligent people yearning for the abolition of political parties. They argue, if in time of war we have no party conflict and if this makes for efficiency in time of crisis, why not continue with government by one party in peace-time? This, however, is a short-sighted view.

Doing away with opposing political parties means doing away with responsible criticism as well as with opposition, with the possibility of alternative leaders and an alternative Government. No matter how efficient and unselfish leaders are at the beginning of



HOUSE OF COMMONS: INTERIOR.

Note the Government Benches on the right, the Opposition Benches on the left of the Speaker's Chair.

their career, they soon become impatient of criticism. They will brook no rivals. If we had no organised opposition, there would be no rival leaders of equal stature to form an alternative Government. A party leader would in time become a dictator.

A dictator, it has been said, resembles a giant oak tree beneath whose shade nothing will grow; but unlike the oak tree, which is long-lived, the span of life of a dictator is brief and he dies as other mortals. So the problem of a successor to a dictator becomes more acute, and indeed menacing, as the years go by. In Italy it was said that no one was allowed to mention Mussolini's age. The fight with Time was said to be a nightmare to him.

The party system may appear slow and obstructive, yet in the long run it means for stability in the government of a nation. (Experience, however, shows that the existence of more than two parties, and certainly a multiplicity of parties, again leads to instability in government.) Moreover, open discussion in the House of Commons, in the House of Representatives, or in the House of Deputies is itself an education to the people.

In the long run the success of democracy and party government will depend on the political health of a community. There must not be glaring economic differences and social injustices. The nation must not be divided into "haves" and "havenots," for under such conditions government cannot be truly representative. After this condition has been satisfied, voters must be given some training to differentiate between mere partisanship and legitimate criticism. Training for citizenship implies not only an intelligent but a knowledgeable and active electorate. It must have some understanding of the machinery of politics, which intelligent people frequently lack and are consequently uninterested in government.

THE DUTY OF ELECTORS

There is an old saying that a nation gets the Government it deserves. In other words, each person has a responsibility, especially under a democracy, in the creation and removal of the Government. Any form of government can be abused, and an elected person can be as arrogant as any dictator if he is not curbed. Much, of course, will depend upon the person. Love

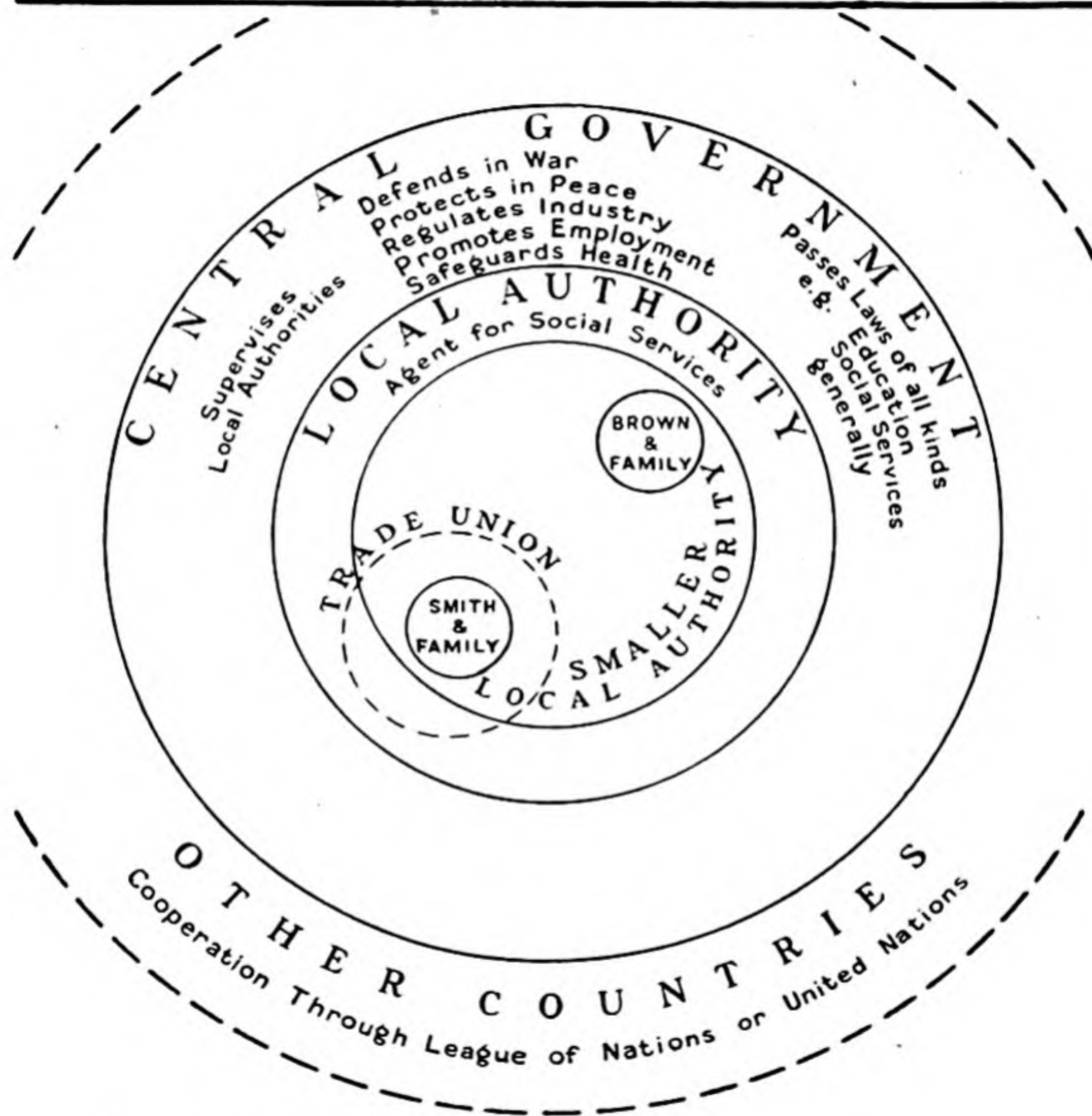
of power can be greater than love of money. The power of an elector therefore has to be exercised continuously to check the elected persons whom he has placed in authority. The price of democracy, therefore, like that of freedom, is eternal vigilance.

“But,” people ask, “you tell me I have so much power. How can that be when I am only one of millions? You tell me I must exercise my power continually, yet elections come only infrequently. What can I do?” The answer is that you have this power and you can do a good deal. If in between elections you write to your M.P., there are probably thousands like you who are doing the same. And an M.P. is very sensitive about the next election. If you are a member of any organised body, a trade union or professional organisation, or local chamber of commerce, or any of the thousand-and-one freely associated bodies and societies of people we love to have under democracy, you can play an active part. You can influence your group, which in turn can play its stream of influence on the local M.P. or member of local authority. Remember again that elected people are sensitive to public opinion.

THE ACTIVE DEMOCRAT

You may feel that your ability entitles you to play a more active political part. It is reasonably easy to participate in the government of the district in which you live. In England local government is much more independent of central authority than it is in foreign countries. For that reason local government is a great training-ground for democracy. There is no

SMITH & BROWN IN RELATION TO MODERN GOVERNMENT



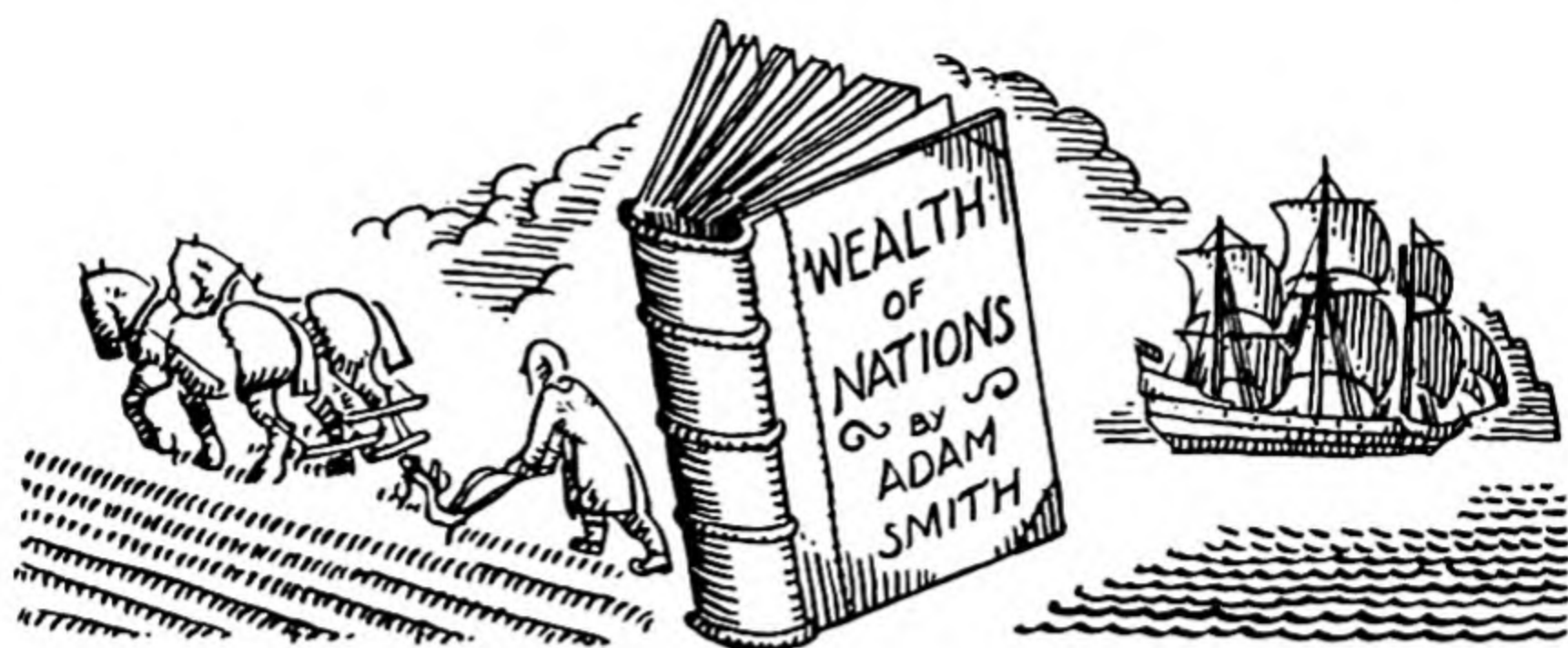
NOTE:

1. Smith is also a member of a Trade Union.
2. Cooperation with other countries may lead to a World Authority.

independent local government, as we understand it, in fascist countries. Even the self-government of religious bodies is resented by the rulers in such countries. And Boy Scouts and Girl Guides similarly are abolished.

That is why if we believe in democracy we must maintain local government, and local government committees have much to do with the administration of the social services. But there again we must be forward-looking and be prepared to make changes. As has been pointed out in the chapter on local government, in the past too narrow a view has been taken by local councillors. There is a national view as well. Opportunity will be afforded you as a broad-minded intelligent democrat to strike the right balance between local control and national need.

In conclusion, we can say with certainty that the more intelligent and knowledgeable are the electors, the more difficult it will be for the wrong persons to be elected. To enjoy good government we must educate an active as well as an intelligent democracy.



CHAPTER XVI

ECONOMIC IDEAS OF YESTERDAY

IN previous chapters we have had occasion to refer to economic ideas which have guided writers, employers, and legislators in the past. This chapter and the next will consider the circumstances in which these ideas have arisen, and briefly the ideas themselves, in order to make easier an introduction to the study of the science of economics. Even an elementary knowledge of the subject will help us in our judgment of what ideas are sound for our world to-day.

Economic science attempts to answer the following question. "How should a country organise its resources so that its people become wealthy and prosperous?" In the last 150 years much thought has been given to this subject. In the Middle Ages, when men's minds were largely dominated by the Church and when in any case little trade and industry existed, ideas on how they were to be carried on were

guided by social and religious considerations. Trade was looked upon with a certain disfavour as likely to lead to dishonesty. The Church forbade usury and insisted upon a just price only being charged for an article. The notion that advantage should be taken of scarcity was considered wrong. So that our modern idea that price depends upon the relation between supply and demand would not have been accepted.

But towards the end of the Middle Ages increased trade between countries and large-scale production of goods made ideas on commerce and industry more complicated. Kings and their ministers became concerned with national wealth as a source of power, while even philosophers began to give the matter their attention. We find that in Tudor times it became a settled policy for the State to interfere in trade and to regulate it in order to make the nation strong. One result of this was that the welfare of workers and labourers also became a matter of Government concern.

At the end of the eighteenth century, however, as we read in earlier chapters, writers, of whom Adam Smith was the most outstanding, advocated the complete abandonment of State interference. He thought that Governments were no longer able to control industry beneficially. In fact monopolies and vested interests had been created which prevented industry from developing, while out-of-date regulations were crushing enterprise. In the early nineteenth century his ideas were largely accepted. Since then we have been moving away from his principles and States once

more are in control of industry, the degree varying in different countries.

The fact is that the economic ideas of each age have been different. Moreover, writers have been influenced not only by the times in which they lived, but also by the circumstances of their country and even by the tradition and temper of their people. So that—to pursue these differences further—in the nineteenth century English writers advocated Free Trade because it seemed appropriate that England, established as the workshop of the world as the result of her industrial revolution, should trade freely with other countries for food and raw materials. German writers, however, not so concerned with individual freedom and looking more towards the State for guidance, advocated Protection to safeguard their industries. The U.S.A., more self-contained as a country, pursued a policy of high tariffs against foreign goods because their industrialists did not want manufactured goods to be imported, and were able for very many years to influence their Government in this policy. The true merits of Free Trade or Protection in international commerce were seldom discussed without bias. In our time economic ideas have been determined by considerations of national self-sufficiency for the purpose of war or conquest.

The question, then, that one must ask before embarking upon the study of the economic problems of to-day is this. "Seeing that at various periods theories have been advanced which later have been discarded, what ideas are left which are sound? In particular, seeing that much of the economic system

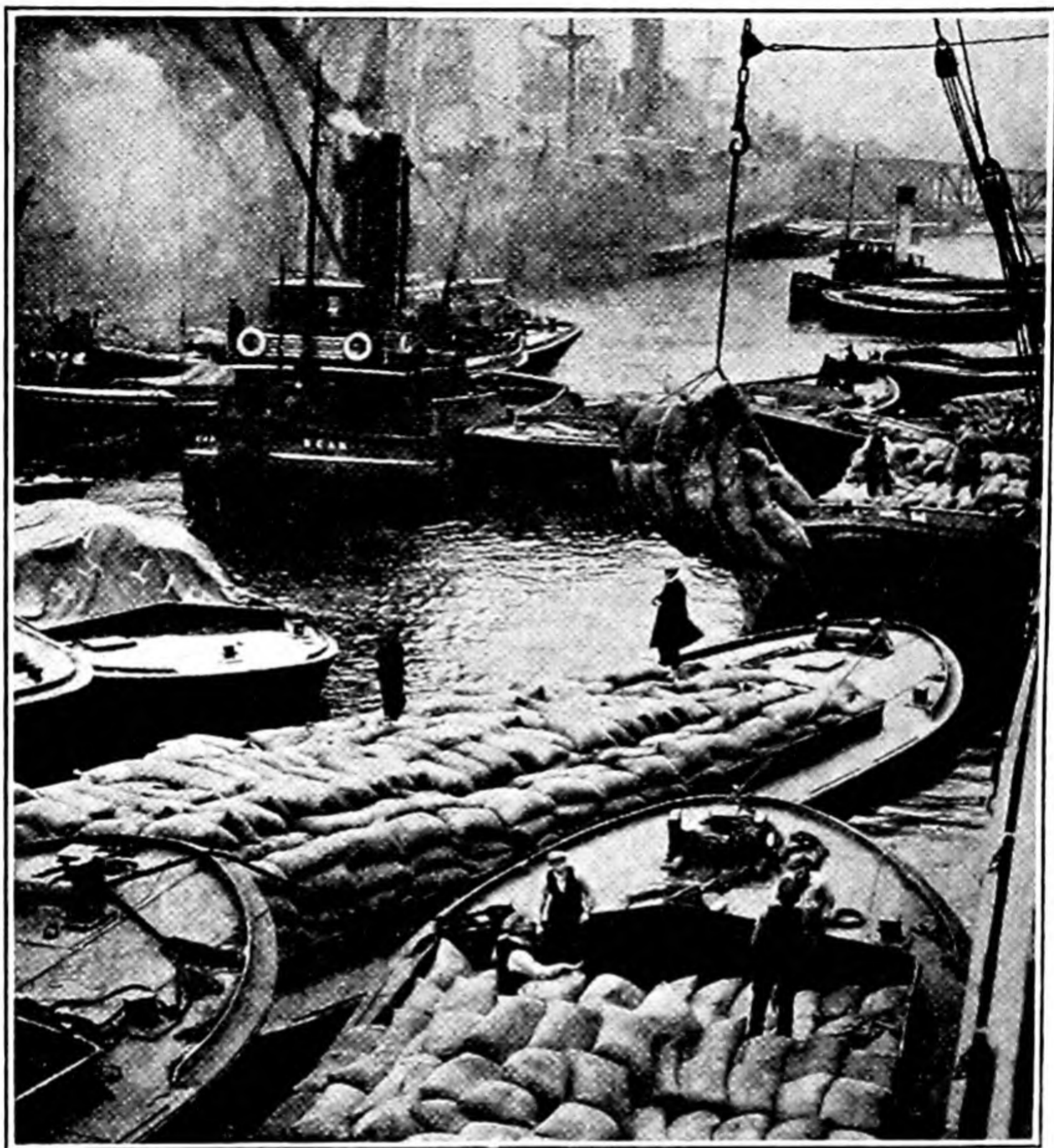
we have inherited is the one that Adam Smith and his followers helped to create, how much is true of economic science as they taught it? ”

THE TEACHING OF THE CLASSICAL ECONOMISTS

The answer is to be found in our realising that they described a system which was based upon the conditions of their own time. In the early nineteenth century, capital (by which we mean factories, machines, etc., as well as money in the bank) was owned by a number of small manufacturers who had acquired their property as a result of hard work and saving. Their profits were considered to be their just reward for thrift. Moreover, these were considered reasonable because manufacturers were forced to compete with one another, and had to sell their wares at the lowest level consistent with carrying on their business. The workers they employed had no capital of their own and their standard of life was very low. Indeed the problem of sufficient food for the population gave great concern in the early nineteenth century. No food was imported. Hence the importance of land.

To-day most capital is owned by joint-stock companies, which are managed by salaried managing directors or managers, and industry is large-scale and is carried on under conditions where competition is either eliminated or does not serve to reduce prices for consumers.

Wage earners are no longer a depressed and poverty-stricken class with no hope of improving their standard of life. Increased intelligence, improved organisation, scientific discoveries, the introduction of machines and



SCENE AT THE LONDON DOCKS.

Food comes to us from all over the world.

better means of communication, all make it easier to produce the necessities of life.

Land for food production is no longer the land of England or even Europe, necessarily limited in its capacity for food production and deriving its value from its restricted acreage. To-day food comes from

all over the world. Moreover, we shall depend less in the future on the natural fertility of the soil and much more on scientific and chemical methods. The effect of a restricted land supply will not give us such concern.

The early or classical economists assumed that the conditions of their own time were true of all times and upon this assumption they based their economic system. In addition they made other assumptions not related to facts. Adam Smith was so concerned with proving that Government interference of previous centuries was bad that he placed the individual at the centre of his system and made self-interest the guiding principle. Later writers, because it simplified their argument, went even further than Adam Smith in the creation of an "economic man" whose sole concern was gain.

Many people to-day will not accept this assumption, just as they point out that the freely competing world of Adam Smith no longer exists. Many therefore advocate a planned State economy, and turn to other countries and particularly to Russia for such a system in practice.

But the old economists, with all their assumptions and limitations, went very far in their examination of the problems of our modern manufacturing and trading society, and their division of these problems under the two heads of Production and Distribution is still followed. But having stated the problems, their solutions are not necessarily final, and indeed are not accepted by everyone to-day.



CHAPTER XVII

ECONOMIC IDEAS OF TO-DAY

WHAT are these problems and how does the study of economics help us? Economics deals with the best means of making a country wealthy. It deals with the subject under the two heads of Production and Distribution; or if you like, it answers two questions. First, What organisation must we have which will use our resources to their best advantage?, and second, How shall we share out what we produce so that everybody is as well off as possible?

DIVISION OF LABOUR

Adam Smith began by describing the process of Division of Labour, which he regarded as the clue to the tremendous increase in the world's production of goods. But, he pointed out, because of this process, certain problems are created which do not exist in a simple society where people work for themselves. If under Division of Labour people specialise and make

goods for other people, who decides which goods shall be made, and the proportion in which they are to be made? What inducements are offered to people to make them want to work? It is in the solution of these problems that economic systems differ. And here we must compare the system described by Adam Smith and the newer idea of a State-planned system.

In making their comparison many people contrast the "planless" competitive economic system of the nineteenth century with a future planned and co-operative system of society. The contrast is usually overdrawn. The economic system that we have inherited is not so planless as it would at first appear, nor has competition been altogether abolished in the economic system which the Russians have enforced.

CONSUMER'S DEMAND

Under the *laissez-faire* system it is claimed that the consumer decides which goods shall be produced. You will agree that is as it should be. People should have what they want and not what is forced on them. They should only be refused when they want something that is obviously bad. Occasionally they have to be forced to have something that we know is good and which otherwise they would not have—going to school for example! How does it work under the *laissez-faire* system? The producer knows what the consumer wants by the price the latter is willing to pay. Money is not only the medium of exchange, but it is the mechanism by which is measured the changing desires of the consumer to which the producer must pay attention. For if the consumer does

not want his article, he will not pay above a certain price, and the producer then will not be able to cover his costs of production and after a time will cease to manufacture.

That the system broadly worked in this way was the strong belief of the earlier economists. And all in all it did produce the varied goods that our society enjoyed in the past. But it has its critics, for the system is sound—that is, it decides what consumers really want when they have approximately an equality in income. It breaks down badly when there is much disparity in wealth. Luxury articles may be made, not because they are generally wanted, but because there are very wealthy people who will pay the big prices for them. Essential goods may not be made in sufficient quantity because the very poor people cannot find the money for them. The system breaks down also when producers combine to restrict competition and deliberately limit production to produce scarcity and so increase prices. It breaks down also when individuals refuse to pay for certain services like education or insurance, which the wisdom of the nation says are essential for them.

That is why people advocate an alternative system. They want all production to be controlled and planned and the resultant goods distributed by the State. That is why gradually we have had social services developed by the nation and the public made to pay for them through rates and taxes. But even if the State controls production as it does social services, it does not alter the fact that broadly the goods and services that are wanted are those the consumer desires. If it



CONSUMER'S DEMAND.

forces goods on the consumers, then it means a loss of liberty and a loss of happiness in their daily lives.

MONEY

A good deal of economic theory is devoted to the part played by money. It is a medium of exchange and a very subtle yardstick by which to measure demand. But in the economics of the past it has played an important part in that it gave power to those

who owned it to acquire control over machinery, plant, etc., and the use of labour. The banks have been able to loan this power by allowing overdrafts to borrowers. The powers of borrowing and loaning money have been used to good purposes, when enterprising men in this way have been given opportunity to develop new industries at home and abroad. But the powers also have been abused, and speculation on the Stock Exchange and the unchecked promotion of new companies have brought much trouble. For that reason some people would wish to abolish money altogether. But even in Russia, money is sensibly regarded as a necessary medium of exchange in society, otherwise the Russians would have to use the clumsy process of barter.

There are some also who think it is wrong for people to work for money. They feel that they should work for service and the pleasure of doing useful work. No doubt that is true of many people, especially in certain types of work. In war-time in particular the sense of service makes many people disregard the money reward. But for the majority of people some differentiation in reward for working harder or better in their work is still demanded. So that, again to take the case of Russia, an example of a planned society, differing money rewards are given.

Actually, to have differing money rewards is another way of saying that what is produced is distributed in different proportions. But it still makes it possible to give everyone, irrespective of what is achieved in work or service, a minimum of life's needs in food, shelter, and medical attention. This may be done



THE STOCK EXCHANGE (THROGMORTON STREET, LONDON), where company shares are bought and sold.

through social services, or through family allowances or the enforcement of a minimum wage. This may be and is practised under our present economic system, or may be and in fact is practised under the Russian system. The minimum given in both systems depends ultimately upon the standard of productivity in each of them.

If differing money rewards means fundamentally the distribution in differing proportions of what the nation produces, it means that the question of wages has to be watched intelligently. If we all strike for higher wages, it will not necessarily mean that we shall get a higher standard of living. Prices may go up equally and the ultimate distribution of goods may be just the same.

PROPERTY

The question of differing remuneration brings us to the question of acquiring wealth or property. If the scale of rewards are too great in the upper limits, it leads to the accumulation of property. Because we have had such a scale in the past and because of our marriage and inheritance laws, considerable property with the income it brings is to-day in the hands of a small section of the community. This is defended, not only as a great incentive in our society, but also because property is valuable and is essential to the productive life of the community; otherwise it would be frittered away. Those who feel that such large rewards are not essential and who see that many of our problems and unnecessary inequalities arise out of this great differentiation of wealth would like to see

property or productive capital owned by the State. It gives too much power to individuals.

Actually we have moved a long way towards equalising wealth through our heavy scale of taxation. This can be done under our present economic system. The Russians have preferred to limit inheritance and to control and conserve property through the State. But if private owners do not do it, then the State has to through its officials.

SAVING AND CONSUMING

Another economic problem is to decide how much of a year's produce is to be consumed immediately and how much is to be saved to help further production. The farmer, for example, has to decide how much of his seed he can sell and consume and how much he needs to save for sowing. And this is true of industry. Some labour may be used for producing consumption goods and some for producing capital goods, that is, products that will help to produce goods in years to come—factories, iron and coal, machine tools and machinery, trains, ships, etc.

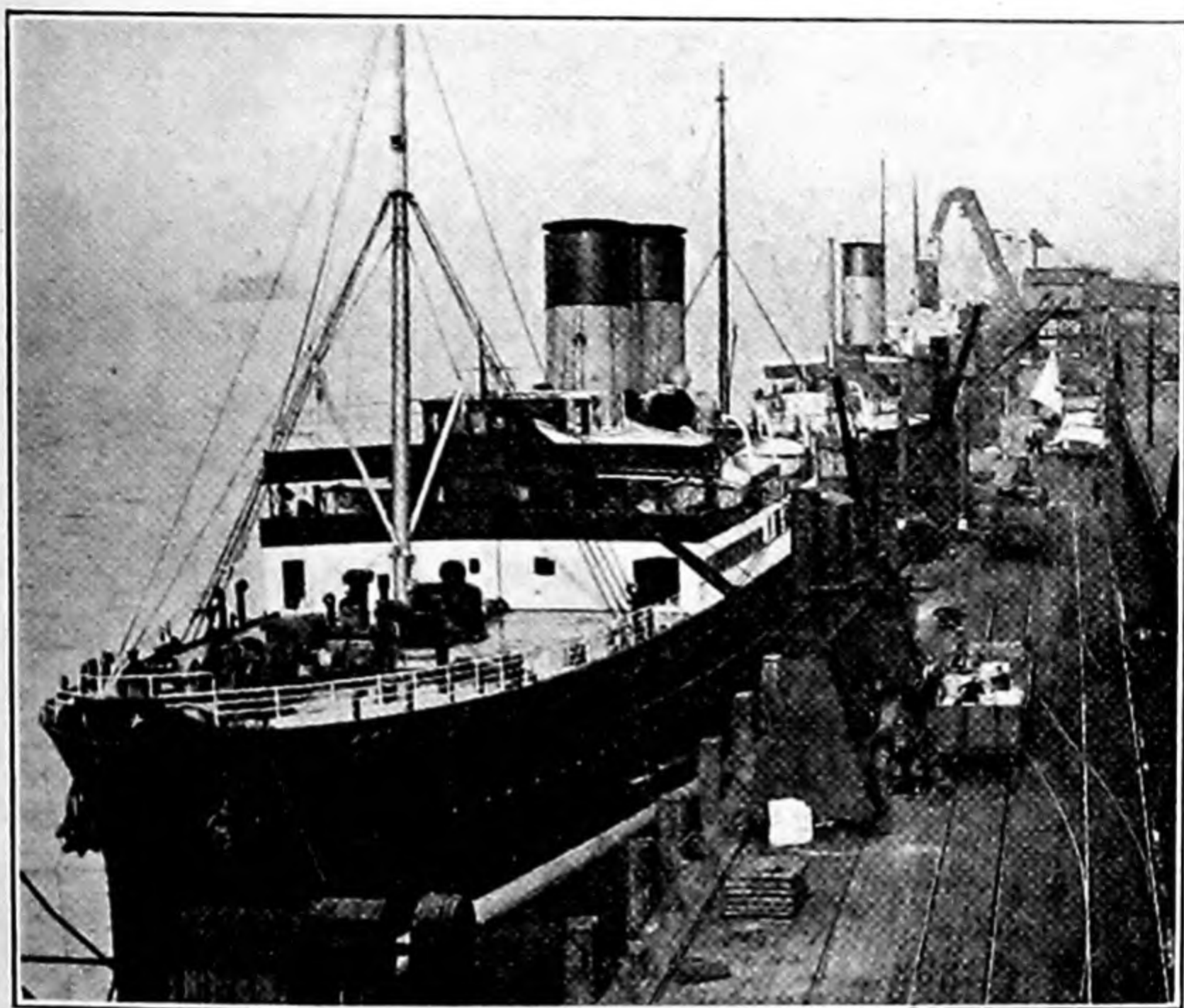
Under our economic system that is decided by enterprising people who are willing to risk paying higher rates of interest on borrowed money and also invest their own money in enterprises that will, they think, give high rates of profit in years to come. If they are too venturesome, they will lose their money. Some people complain that they lose other people's money as well, and when many such speculators fail, a depression is created and people are put out of work. However, the fact is that in the nineteenth century a

tremendous increase in the world's goods was made, through the right provision of production capital by private enterprise.

In Russia, where individuals are not allowed such powers, planning must be done by the State. The well-known Five Years Plans were announced accordingly. The first Five Year Plan (1928-33) was for the provision of factories, etc., and the restriction of everyday consumption goods. The Russian population had to pull in their belts. The second Five Year Plan promised to lighten the sacrifice of the Russians, and more goods were produced for daily use.

THE ECONOMIC SYSTEM IN WAR-TIME

Under war conditions, especially modern totalitarian war, the competitive and individualist system breaks down and the Government has to take over much of the economic system, which becomes a State-planned one, in which the State has arbitrary powers to direct individuals to whatever service it thinks is necessary and to control industry in any way it thinks fit. People do not like this, but put up with the sacrifice of personal liberty because they see the need for comprehensive planning by the Government for the purpose of waging war successfully. In fact, the complaint is that more of industrial organisation is not controlled by the Government. The point is that the normal peace-time proportions of demand and supply of goods are changed suddenly. To prevent violent rises in wages and profits, the Government takes over much of the control of industrial conditions. To maintain an adequate supply of foodstuffs at reasonable



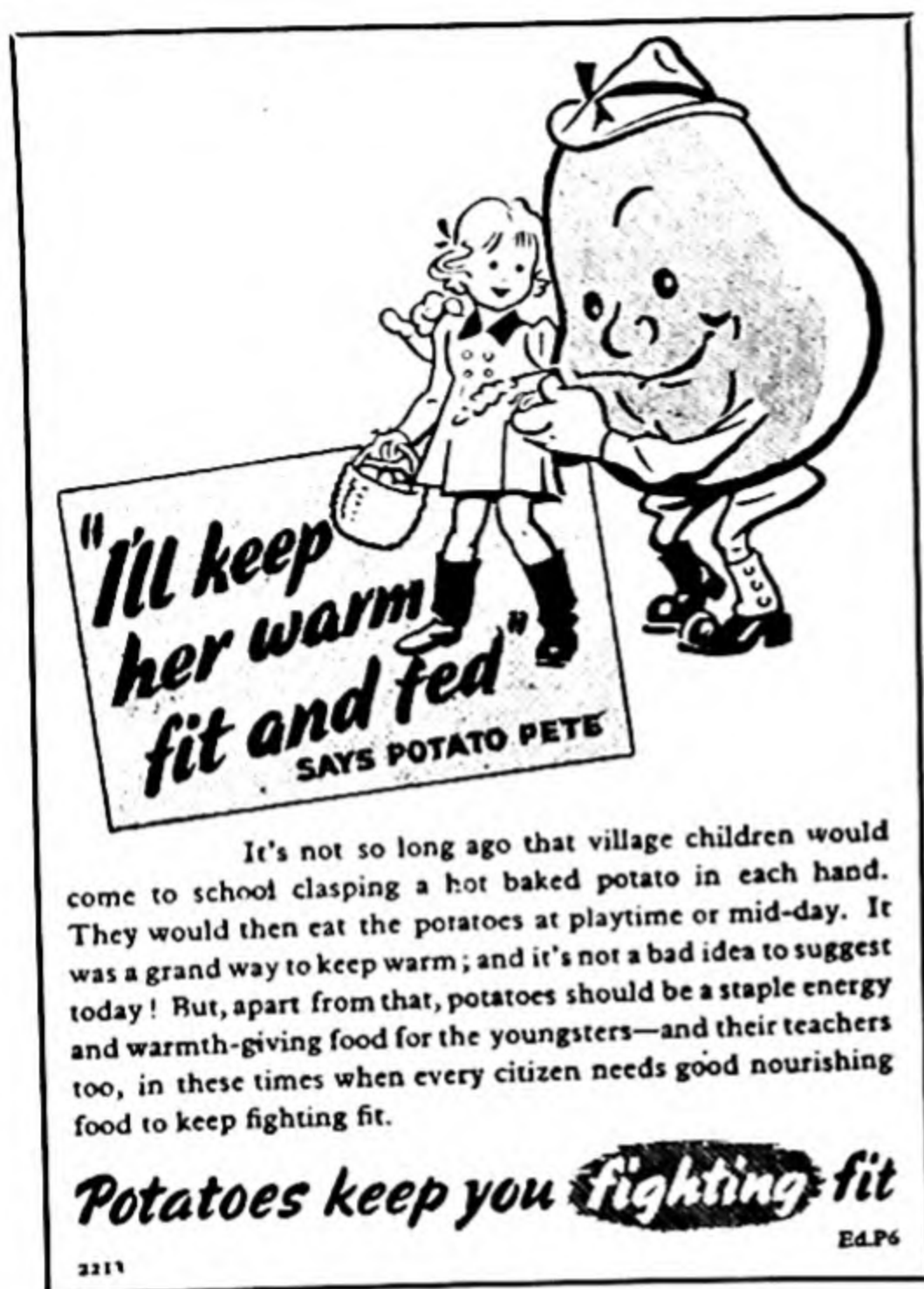
AN EXAMPLE OF CAPITAL GOODS.

Ships, trains, machinery, factories, etc.

prices to the whole community, it rations their distribution and fixes their prices and compensates the producers by money subsidies if necessary. The normal play of supply and demand is not allowed.

AFTER THE WAR

All these controls, in fact, were practised by the Government during the last war. After the war, the Government could not immediately remove its controls and revert suddenly to pre-war conditions ; the change-over was considered to be too much for the economic machine. Because of the character of the war-time industrial conditions, we could not suddenly revert to a



HOW THE GOVERNMENT TRIES TO REGULATE CONSUMERS' DEMAND IN WAR-TIME.

A poster to encourage the eating of more potatoes and less bread. After the war, bread had actually to be rationed.

Government regulation. Much of the clamour was selfish, much sincere. The results of the sudden removal of restrictions, however, were more disastrous than were the effect of Government regulations. There followed a period of slump and large-scale unemployment. We could not afford such a disaster a second time.

In weighing up the advantages of economic systems we have to balance the advantages of order and greater equality with the needs of individual liberty. In so far as order and greater equality lead to greater pros-

new system, even if it meant going back to the old pre-war one. There was, as we have noted, an unseen plan functioning in the old system, but it was a very delicately balanced one. We could not suddenly plunge into it again. The Government had to continue its controls for some time, and some of the controls may become permanent.

After the first World War there was a clamour for return to old conditions because of irritation with



A WAR-TIME QUEUE.

When demand is greater than supply.

perity and the creation of wealth for all, it will mean also greater freedom for the development of the personality of men and women. Order and greater equality are then good things. When order means repression and too great an increase of the power of the State over the life of its citizens, then we must do with less material well-being, with less order, for the sake of greater liberty and happiness. The nineteenth century has already taught us the evils of uncontrolled individualism. We must not in the twentieth century fall into the evils of unlimited State control.

This chapter has given some indication of the subject-matter of Economics. If now you proceed with reading further, it will surely be with greater zest, for never has it been so necessary for the average citizen to judge intelligently on economic matters and not wait for his opinions to be formed for him.



ANY QUESTIONS ?

A B.B.C. Brains Trust meeting.

Left to right : Sir John Boyd Orr, Robert Nichols, the Rt. Hon. Walter Elliot, Donald McCullough, Comdr. Campbell, and Dr. C. E. M. Joad.

QUESTIONS

INTRODUCTION

How far, in your opinion, are the world's problems to-day the result of our own personal shortcomings ?

CHAPTER I

What are the chief occupations of your own locality ?

Draw a map to indicate the various industries.

Collect information to enable you to describe in some detail the work of any one factory and the work of any individuals whom you know well.

What are the advantages and disadvantages of using the method of Division of Labour in industry ?

Describe Territorial Division of Labour.

CHAPTER II

How would you advise someone to set about (a) finding a job, (b) seeking assistance when out of work ?

What is meant by Unemployment Insurance ?

What is meant by Health Insurance ?

If someone were unemployed, sick, or otherwise in need, where would you send him for assistance ?

Name (a) the building, (b) the responsible local authority, (c) the supervising Government department concerned with the service mentioned.

CHAPTER III

Describe working life in the Middle Ages. Deal very briefly with workers in the country and in the towns.

What are the chief differences in working conditions to-day ?

What do you think is the greatest difference between a medieval guild and a modern trade union ?

CHAPTER IV

Describe either the break-up of the Manorial System in England or the decay of the medieval guilds.

How did Queen Elizabeth regulate the life, work, and trade of England ?

Write something about the Navigation Acts.

What is meant by the Mercantile System ?

When did the Mercantile System begin to break down ?

CHAPTER V

What is meant by the Domestic System of Industry ?

Describe the beginning of the Factory System.

CHAPTER VI

What is meant by the Industrial Revolution ?

Describe the Industrial Revolution under the headings : machinery, coal and iron, steam, transport, agriculture, and population.

What was the effect of the Industrial Revolution on the

lives and conditions of the working population at the beginning of the nineteenth century?

How did the Napoleonic Wars influence the changes brought about by the Industrial Revolution?

Did England benefit from the Industrial Revolution? Give reasons for and against.

What was the Agricultural Revolution?

CHAPTER VII

What prevented working men from bettering their position in the early Factory Age?

What is meant by the policy of *laissez-faire*?

CHAPTER VIII

How were the poor and sick helped in the Middle Ages?

When were the first Poor-laws passed?

What was their purpose and what did they order should be done?

What is meant by the "Speenhamland Act"?

What were the principles underlying the 1834 Poor-law Act?

CHAPTER IX

Why and when were the first Factory Acts passed?

Why and when were the first Health Acts passed?

When was the first Mines Act passed?

What do you understand by Social Legislation?

What caused Parliament to pass so much social legislation during the nineteenth century?

Show how this social legislation developed English local government in the nineteenth century?

CHAPTER X

Give the story of the Trade Union movement (a) up to 1834, (b) from 1834 to 1890, (c) after 1890.

What is the difference between craft and industrial unions ?
Describe the legal battles of the Trade Unions after 1900.
Show how the existence of Trade Unions is helpful in the life of a country.

What is meant by trade boom, slump, strike, inflation, gold standard ?

What conditions are good for international trade ?

How do strikes affect the public ?

Should arbitration be made compulsory in trade disputes between employers and trade unions ?

CHAPTER XI

Relate briefly how Parliament has been reformed since 1832.

Show how and why changes in the Parliamentary franchise have been followed by changes in local government.

CHAPTER XII

By what local authority is your immediate locality governed (parish, rural or urban district, borough, county borough) ?

Has more than one local authority power in your district ?
Visit your nearest public library for information. Obtain and draw a map of your district and insert the boundaries.

Ask your father to allow you to look at the last demand note for rates and make a list of the social services for which he helps to pay.

Make a list of buildings in your locality which have to do with the provision of social services, e.g. schools, fire-brigade stations, hospitals (voluntary as well as municipal), etc. (not all have been mentioned).

Make a list of the public services you have enjoyed in the course of the last twenty-four hours, beginning with the water-tap.

Make a list of the different types of schools in your district. How do they differ?

Find out how the members of your local authority are elected.

Are local councillors paid for their services ?

What are the different kinds of local authorities ?

What are rates and how is the amount determined ?

Name the different kinds of schools we have in England and the different bodies responsible for their management and upkeep.

What is the difference between Unemployment Benefit and Unemployment Assistance ?

What is the oldest area of modern local government divisions ?

Why is the 1835 Municipal Government Act important ?

Trace the story of the administration of the Poor-law from Tudor times till 1834.

In which directions has local government changed in the twentieth century ?

Name some social services which you think could be improved or extended, and explain how.

What is meant by Regionalism in local government ?

CHAPTER XIII

Which social service do you think is best managed in England ?

Give a brief summary of the proposals in the Beveridge Report.

What Government department administers the Factory Acts ?

How is the local government of London organised ?

CHAPTER XIV

Explain the difference in the way industry is organised to-day and the way it was organised 150 years ago.

What is a joint stock company ?

- What is meant by "limited liability" ?
- Why do manufacturers form trusts ?
- Give other names for trusts.
- Give examples of semi-public services.
- Give examples of public services.
- What is a co-operative society ?
- Give examples of the way Governments intervene in trade.
- Is such intervention good or bad ?
- What is meant by tariff walls ?
- How does the B.B.C. differ from (a) a Government department, (b) a commercial company ?
- Give examples of public undertakings similar to the B.B.C.
- Explain the meaning of Economic Nationalism.
- What is meant by the nationalisation of industries ? Why is it advocated ?

CHAPTER XV

- Show how in the twentieth century, State control of industry has extended to State control in other directions.
- What is the object of State control ?
- Is it good for a nation ?
- Is it good for the individual ?
- How did Fascism begin ? What are its main features ?
- In what respects did National Socialism go farther than Fascism ?
- What is the difference between Socialism and modern Communism ?
- In what respects do Fascism and Communism appear alike ?
- What are the actual differences ?
- What benefits do we derive from a democratic system of government ?
- What are the shortcomings of democracy ?
- Can you have more State action in the life of a nation and yet not have a Fascist Government ?
- How would such a Government be controlled ?

What is the function of the Civil Service in modern government ?

Does the Civil Service manage the B.B.C. and L.P.T.B. ?
Mention a public profit-earning service it does manage.

What is meant by democracy ?

Everyone has the vote now. Does that mean that everyone participates in the government of the country ? What else is needed to achieve complete democracy ?

What are the difficulties of democratic government in a large society ?

What are the difficulties of democratic government in a modern highly industrialised society ?

How can you as an elector make yourself felt in the government of the country *in between elections* ?

In which way would you improve the life of people to-day ?

How far are the world's problems to-day the result of our own shortcomings ?

Write an argument for and against Party Government.

Can you get at the truth about a country's affairs from reading the newspapers (a) in a dictator country, (b) in a democratic country ?

Read three or four newspapers of the same date and compare the accounts given of the same event (a) when the event is an accident, or a football match, or some similar happening, (b) when the event is a report of proceedings in Parliament.

Why is it advisable to read several newspapers on any one day if you are interested in Parliamentary proceedings ?

CHAPTER XVI

What does Economic Science deal with ?

In what periods in English history did the State interfere in trade and industry ?

What did Adam Smith teach ?

Contrast the attitude of the State to-day towards the running of industry with that at the beginning of the nineteenth century.

Do you agree with Free Trade in international commerce?

CHAPTER XVII

Give the two main heads under which Economics divides its study.

Which do you consider more important of attention, Production or Distribution?

When people work for one another as under Division of Labour, who decides what goods shall be produced?

What is meant by Supply and Demand?

Could we do without money?, and if you think not, what is the part it plays in industry and commerce?

Besides paying wages of varying amount, what are additional ways of distributing the national wealth?

When and why is it important to save?

When and why is it important to spend?

Who are investors?

What part have they played in industry and commerce?

Is profit-making a good incentive for making people work hard?

What other incentives have been used to make people give of their best?

Is competition a good stimulus in the life of a community?

Could you have competition without the profit-making incentive?

Why does the State take over so much of the industrial machine in war-time?

What is meant by a planned economy?

Put in order of importance: material well-being, liberty, happiness, order, equality.

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